

LECTURE OUTLINE FOR

MKTG 25010

Principles of Marketing

Lecture Packet

Part 1 (of 2)

2016 FALL

DR. LAWRENCE MARKS
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Course website on Blackboard Learn (<http://learn.kent.edu>)

KENT STATE UNIVERSITY
 College of Business Administration
MKTG 25010 – Principles of Marketing
 Section 001 in-class (CRN 15809) & Section 003 web-based (CRN 15811)
 Preliminary Syllabus – 2016 Fall

Dr. Lawrence J. Marks

lmarks@kent.edu

Office--516 BSA

Office Phone: 330-672-1266

Office Hours: 5:15 to 6:00 p.m. MW
 and by appointment.

<http://www.personal.kent.edu/~lmarks>

Class meets 3:45 - 5:00 p.m. MW in 133 BOW

Required Text: The **required** text for the class is *Marketing*, 13th edition, Roger A. Kerin and Steven W. Hartley, McGraw-Hill 2017. It is available packaged with *ConnectPlus* access at no additional charge in a special Kent State loose leaf edition (ISBN: 978-125-994918-0). The “standard” edition’s ISBN is 978-1-259-57354-5.

NOTE: The complete syllabus is available from the class website on Blackboard (<http://learn.kent.edu>)

CLASS SCHEDULE – FALL 2016
MKTG 25010 SECTIONS 001 & 003 (CRN: 15809 & 15811)
 Meeting 3:45 - 5:00 p.m. Monday and Wednesday in 133 Bowman Hall

Week	Date	Topic	Readings NOTE: This schedule is tentative and will need to <i>adjust</i> to what we actually cover in class each week.
Week 1	Monday 8/29	Lecture 1 – Introduction and Customer Value & Marketing	Chapter 1
	Wed 8/31	Lecture 2	
Week 2	Monday 9/5	Labor Day – no classes , offices closed	
	Wed 9/7	Lecture 3 – Marketing/Organizational Strategies	Chapter 2 <i>Add/drop ends Sunday</i>
Week 3	Monday 9/12	Lecture 4 – The Marketing Environment	Chapter 3
	Wed 9/14	Lecture 5 – Ethical and Social Responsibility	Chapter 4
Week 4	Monday 9/19	Lecture 6 – Consumer Behavior 1	Chapter 5
	Wed 9/21	Lecture 7 – Consumer Behavior 2	Chapter 5
Week 5	Monday 9/26	Lecture 8 – Organizational Buying	Chapter 6
	Wed 9/28	Lecture 9 – Global Consumers & Markets	Chapter 7

Week 6	Monday 10/3	Lecture 10 – Global Consumers & Markets (continued)	Chapter 7
	Wed 10/5	Lecture 11 – Marketing Research for Action	Chapter 8
Week 7	Monday 10/10	Lecture 12 – Segmenting, Positioning, and Forecasting	Chapter 9
	Wed 10/12	Lecture 13 – – Segmenting, Positioning, and Forecasting (continued) [END OF MATERIAL FOR MIDTERM]	Chapter 9
Midterm (In-class)	10/17 to 10/21 In College computer labs	Opens Monday 10/79 In College computer labs; Closes Friday 10/21, end midterm by 5 pm in College computer labs	Lectures 1-13 & associated text material
Midterm (Web- based)	10/16 to 10/22 via Proctor U	Opens Sunday 10/16 8 a.m. via Proctor U; Closes Saturday 10/22 , last Proctor U time is 11 p.m.	Lectures 1-13 & associated text material
Week 8	Monday 10/17	Lecture 14 – Developing New Products and Services	Chapter 10
	Wed 10/19	Lecture 15 – Managing Products and Brands	Chapter 11
Week 9	Monday 10/24	Lecture 16 – Managing Products and Brands	Chapter 11
	Wed 10/26	Lecture 17 – Managing Services	Chapter 12
Week 10	Monday 10/31	Lecture 18 – Setting the Price Foundation	Chapter 13
	Wed 11/2	Lecture 19 – Setting the Final Price	Chapter 14 <i>Course withdrawal deadline is November 6; a “W” grade is assigned</i>
Week 11	Monday 11/7	Lecture 20 – Managing Marketing Channels and Supply Chains	Chapter 15
	Wed 11/9	Lecture 21 – – Managing Marketing Channels and Supply Chains (Continued)	Chapter 15
Week 12	Monday 11/14	Lecture 22—Retailing & Wholesaling	Chapter 16
	Wed 11/16	Lecture 23 – Integrated Marketing Communications and Direct Marketing	Chapter 17
Week 13	Monday 11/21	Lecture 24 –	
	Wed 11/23	Thanksgiving Recess – 11/23 noon to 11/27	No Classes
Week 14	Monday 11/28	Lecture 25 – Advertising, Sales Promo, & PR	Chapter 18
	Wed 11/30	Lecture 26 – Social Media Marketing	Chapter 19
Week 15	Monday 12/5	Lecture 27- Personal Selling & Sales Management	Chapter 20
	Wed 12/7	Lecture 28 –	

Finals Week	Sunday 12/11 to Friday 12/16 at 5 pm	Take the exam in the College computer labs or other approved testing center. Bring your KSU ID, text book, and lecture notes with you.	Final Exam Lecture 14 to the end and associated textbook material TO THE END OF CHAPTER 20. (except for Marketing in the News)
Final Exam (In-class students)		Sunday 12/11 at NOON to Friday 12/16 at 5 pm In College computer labs	Bring Picture ID
FINAL (Web-based)		Sunday 12/11 at 8 a.m. to Friday 12/16 at 5 pm via Proctor U	Bring Picture ID

For the midterm exam, you can use a hard copy of the textbook and a hard copy of the lecture notes. For the final, you can use a hard copy of the textbook, a hard copy of the lecture notes, and a calculator. International students can make use of a standard **hard copy** translation dictionary.

You **cannot** use any other electronic devices (not your computer, or your cell phone, or an electronic translation device) for either test.

You **cannot** have any windows open on your computer other than the exam window. You **cannot** have mini-test questions and/or answers at these tests. Mini-test questions/answers are PROHIBITED for these tests and having them represents cheating.

In-class students must take the midterm and the final exam in the College of Business computer labs (or with advance permission by me at another proctored testing site, or with advanced permission and for a fee they can use Proctor U).

Web-based students MUST take the midterm and the final exam using Proctor U.

Preliminary Mini test Schedule

Available from <http://learn.kent.edu>

Mini Test	Opens not later than 5 p.m.	CLOSES at 11 p.m.	¹ Covers Lectures:
1	Saturday 9/10	Sunday 9/18*	1, 2, 3,
2	Saturday 9/17	Sunday 9/25	4, 5
3	Saturday 9/24	Sunday 10/2	6, 7
4	Saturday 10/1	Sunday 10/9	8, 9
5	Saturday 10/8	Sunday 10/16	10 11
6	Saturday 10/15	Sunday 10/23	12, 13
Midterm (In-class)	Monday 10/17 In College computer labs	Friday 10/21 End by 5 pm in College computer labs	Lectures 1-13 & associated text material
Midterm (Web-based)	Sunday 10/16 Opens 8 a.m. via Proctor U	Saturday 10/22 Last Proctor U time is 11 p.m.	Lectures 1-13 & associated text material
7	Saturday 10/22	Sunday 10/30	14, 15
8	Saturday 10/29	Sunday 11/6	16,17
9	Saturday 11/5	Sunday 11/13	18,19
10	Saturday 11/12	Sunday 11/20	20, 21
11	Saturday 11/19	Wednesday 11/30**	22, 23
12	Saturday 12/3	Sunday 12/11	24, 25, 26
13	Thursday 12/8***	Sunday 12/11	27, 28
Final Exam	Opens Sunday 12/11	Closes Friday 12/16 at 5 pm	Lectures 14 to the end and associated textbook material TO THE END OF CHAPTER 20.
<p>¹Please note that this refers to the LECTURES covered by the exams (Not the chapters). The Class Schedule shows the CHAPTERS which are targeted for each lecture (subject to modification as needed).</p> <p>Mini tests are normally available the Saturday after the material is covered in class (by 5 p.m.) for a minimum of eight days. The deadline is listed in the description for each mini-test. Should a change in this preliminary schedule be necessary there will be an announcement on the class website and the revised deadline will be included in the test description.</p> <p>*No mini tests will expire until after the drop/add deadline listed above. This allows students who add the class "late" an opportunity to catch up (and gives students who are having problems accessing the tests time to work out the bugs).</p> <p>**To accommodate Thanksgiving Recess</p> <p>***Shorter time due to Finals</p>			

ACKNOWLEDGEMENTS: The concept for the way in which this course is offered, the approach to testing, and portions of the syllabus are based on the Principles of Marketing class offered by Dr. Bruce Robertson, San Francisco State University (<http://online.sfsu.edu/~robertbc/>). Many thanks to Dr. Robertson for pioneering this method of delivery.

Preliminary Enhanced Learning Extra Credit (ELEC) Schedule

ELEC	Opens not later than 5 p.m.	CLOSES at 11 p.m.	Opens in:
1	Thursday 9/22	Wednesday 9/28	Week 4
2	Thursday 9/29	Wednesday 10/5	Week 5
3	Thursday 10/6	Wednesday 10/12	Week 6
4	Thursday 10/13	Wednesday 10/19	Week 7
5	Thursday 10/20	Wednesday 10/26	Week 8
6	Thursday 10/27	Wednesday 11/2	Week 9
7	Thursday 11/3	Wednesday 11/9	Week 10
8	Thursday 11/10	Wednesday 11/16	Week 11
9	Thursday 11/17	*Wednesday 11/30	Week 12
10	Thursday 12/1	Wednesday 12/7	Week 13
		*Thanksgiving	

- Three attempts for each ELEC. Each is worth up to .3% added to your final course grade.
- For the ELEC's I will record your **best ELEC grade** (the same as for the mini-tests).
- You can earn partial credit for less than 100% on the assignment.
 - If you earn an 80% on your best attempt, you get .8 x .3 or .24% added to your Final Course Grade
- Earning a 100% on one ELEC will add .3% TO YOUR FINAL GRADE.
- So, for the 10 assignments you can earn up to a total of a 3% INCREASE in your course grade!!

These are available from the class website Extra Credit Folder on Blackboard Learn (<http://learn.kent.edu>).

Introduction to Marketing 25010

I) Initial Background information: This is based on the syllabus, available from the class web site on Blackboard Learn. You should **print** and **read** that document.

a) The Professor and his contact information:

Name: Dr. Lawrence J. Marks

E-mail: lmarks@kent.edu

Office:

Phone: 330-672-1266

Office Hours:

Instructor's personal website: <http://www.personal.kent.edu/~lmarks>

a) Required Text: The required text for the class is Marketing, 12th edition, Roger A. Kerin, Steven W. Hartley, and William Rudelius, McGraw-Hill 2015. It is available packaged with ConnectPlus access at no additional charge in a special Kent State loose leaf edition (ISBN: 9781259332456). The "standard" edition's ISBN is 9780077861032.

b) McGraw-Hill *ConnectPlus* is a web-based assignment and assessment site that we will use for Enhanced Learning Extra Credit Assignments (ELECs). THIS IS INCLUDED WITH THE KSU EDITION OF THE REQUIRED TEXTBOOK.

c) Cost/Purchase:

d) Printed Lecture Notes

i) Why?

ii) Where they are available:

II) The Prerequisite for this class is: _____

III) Course Objectives

- a) A working knowledge of marketing terminology, concepts, activities, and strategies;
- b) An understanding of marketing functions within the organization and in the context of external environments;
- c) Knowledge of the ways in which marketing contributes to attainment of the organization's objectives and goals;
- d) An appreciation for the global and ethical aspects of marketing.

IV) Policies

The Following Policies Apply to All Students in this Course:

A. Students attending the course who do not have the proper prerequisite risk being deregistered from the class.

B. Students have the responsibility to ensure they are properly enrolled in classes. You are advised to review your official class schedule (using Student Tools on FlashLine) during the first week of the semester to ensure you are properly enrolled in this class and section. Should you find an error in your class schedule, you have **until the end of the first week of the semester September 4, 2016 to correct the error.** If registration errors are not corrected by this date and you continue to attend and participate in classes for which you are not officially enrolled, you are advised now that you **will not** receive a grade at the conclusion of the semester for any class in which you are not properly registered.

C. Academic Honesty: Cheating means to misrepresent the source, nature, or other conditions of your academic work (e.g., tests, papers, projects, assignments) so as to get undeserved credit. The use of the intellectual property of others without giving them appropriate credit is a serious academic offense. It is the University's policy that cheating or plagiarism result in receiving a failing grade (0 points) for the work or course. Repeat offenses may result in dismissal from the University.

For an excellent review of the topic, browse <http://ec.hku.hk/plagiarism/introduction.htm>. For a PowerPoint presentation that reviews the topic of cheating and plagiarism (and which reflects my views), browse <http://www.personal.kent.edu/~lmarks/ethics/Plagiarism.ppt>. NOTE: The questions for the mini tests are copyrighted and unauthorized reproduction is prohibited.

D. Course Withdrawal Deadline: For Fall 2016, the course withdrawal deadline is Sunday, November 6, 2016. If you need advising assistance, you will need to contact an advisor before Friday, March 20, as our advising offices are not open on the weekend.

E. Students with disabilities: University policy [3-01.3](#) requires that students with disabilities be provided reasonable accommodations to ensure their equal access to course content. If you have a documented disability and require accommodations, please contact the instructor at the beginning of the semester to make arrangements for necessary classroom adjustments. Please note, you must first verify your eligibility for these through Student Accessibility Services (contact 330-672-3391 or visit <http://www.kent.edu/sas> for more information on registration procedures).

INTERNATIONAL Students for whom English is a second language, send me an email to request Extended Time. Once I verify your status, I will give you access to the *Extended Time* mini-tests, midterm and final.

F. Application for Graduation

It is your responsibility to apply for graduation before the set deadline. If you apply after the deadline you will be assessed a \$200 late fee. Please see your academic advisor as soon as possible if you

are uncertain as to your progress toward graduation. The graduation application deadlines are follows:

Graduation Application Deadlines:

May Graduation: Apply before September 15th

August Graduation: Apply before December 15th

December Graduation: Apply before March 15th



To apply for graduation complete the following steps:

1. Log onto your Flashline account
 2. Click on the Student Tools tab
 3. Look in the Graduation Planning Tool Box
 4. Click on Application for Graduation
- If an error message appears, you must contact your advisor.

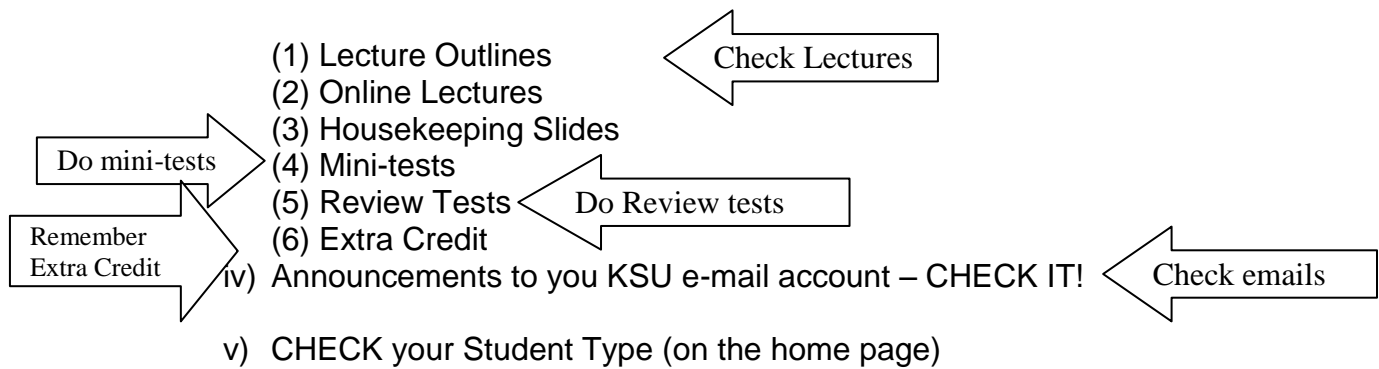
V) Content Delivery

- a) This is NOT an “independent learning” class. Lectures are given “live” in _____ [room] _____ [days/times] AND made available _____
- b) Testing during the semester through _____
- c) Midterm (week of 10/17) and Final Exam(week of 12/11):
 - i) In-class students—
 - ii) Web-based students--

VI) Class Website

- a) Access via <http://learn.kent.edu> or from Flashline.
- b) Important Items to Check Regularly
 - i) Home Page – Check Student Type
 - ii) START HERE Folder  Check Intro
 - (1) An Introduction Video
 - (2) A copy of the “Early Welcome” email
 - (3) The Course Objectives
 - (4) How to Prepare Your Computer for Working in Bb Learn
 - (5) The syllabus  Check Syllabus
 - (6) University Policies,
 - (7) About the Midterm and Final exam testing,
 - (8) Using Proctor U. Course Information
 - (9) Marketing 25010 FAQs
 - (10) Student and Alumni User Guide to Flash@work

iii) Learning Materials Folder



VII) Grades

Kent State Policy is that midterm grades must be submitted for all 10000 and 20000 courses. For MKTG 25010 midterm grades will be based on the first 5 mini-tests, which are worth approximately 19% of the final course grade.

The Final Course Grade is based on:

- a) _____ “mini” exams (_____ % of your final grade), NO mini-tests are dropped, plus
- b) a midterm exam worth _____% of your final grade, plus
- c) a final examination worth _____ % of your final grade.
- d) PLUS any _____

Letter grades

Course Average	Course Grade	Univ. GPA	Course Average	Course Grade	Univ. GPA
92.6+%	A	4.0	76.6-79.5%	C+	2.3
89.6-92.5%	A-	3.7	72.6-76.5%	C	2.0
86.6-89.5%	B+	3.3	69.6-72.5%	C-	1.7
82.6-86.5%	B	3.0	66.6-69.5%	D+	1.3
79.6-82.5%	B-	2.7	59.6-66.5%	D	1.0
			59.5 and below	F	0.0

Students who want to become Marketing Majors must earn a “C” (2.0) or better in this course. A “C-” (1.7) does not meet this College of Business requirement.

The class DOES use the plus/minus grading system.

IMPORTANT NOTE: Once the grades are in, students get what they have earned. I do not make adjustments for (a) you really, really needing a better grade, (b) your being “only” .3, .2, or .1 away from the next grade, or for (c) any reason other than

an error in the calculation. Asking, pleading, crying, and/or offering bribes DO NOT WORK (sorry).

VIII) **Calculating your final grade**

It is fairly common for students to incorrectly calculate their final grade. The correct calculation is:

$$[(\text{Total of all Mini test scores}/13) \times .5] + (\text{Midterm score} \times .2) + (\text{Final exam score} \times .3) + \text{Extra Credit} = \text{Final Course Grade}$$

Notes: (1.) A missed mini-test counts as a 0. (2.) Adding your total points up and dividing by 15 is NOT the correct calculation.

For example, suppose you have an average of 85% on the 13 mini-tests, a 70% on the midterm, a 78% on the final exam, and you earned 2.5% in extra credit work.

The grade calculation is: $(.85 \times .5) + (.70 \times .2) + (.78 \times .3) + 2.5 = .425 + .14 + .234 + .025 = .824$ or 82.4% which would be a “B-“ for the course. Needless to say, had you done more extra credit your final course grade would have been higher (for example, adding .5 in extra credit would have earned you an 82.9% or a “B” for the course).

You can download a Grade Calculator Blackboard Learn as a click in the Testing Folder. This is an Excel spreadsheet that will help you calculate how you are doing.

IMPORTANT NOTES about course grades.

1. YOU need to watch for deadlines for mini-tests and extra credit assignments. Once an assignment closes, it is very rare for it to be re-opened. If you have a question about an assignment or mini-tests ask about it BEFORE the deadline. This means YOU need to check on your grades and be aware of the deadlines. Once we get to finals week, all mini-tests and extra credit opportunities will have been closed. Do them before their weekly deadlines. DO NOT FORGET TO TAKE THE MINI-TESTS.
2. Once the final is taken, your Final Course Grade is calculated using the above formula $[(\text{Total of all Mini test scores}/13) \times .5] + (\text{Midterm exam score} \times .3) + (\text{Final exam score} \times .2) + \text{Extra Credit}$
3. THERE ARE NO CHANGES to final course grades made for “being close” to the next higher grade, nor for “only being .1 away” from the next higher grade, nor for “really, really needing” the next higher grade. Students receive the grade that they have earned.

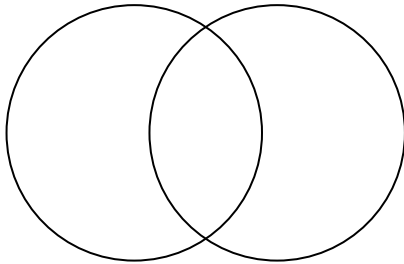
The only possible adjustment to a final course grade occurs when a curve is needed (or if a posting error is made). IF, at the end of finals, there are not a

reasonable number of A's (or, if too many students are failing), it is possible that a curve will be created. In this case, a set number of points will be added to everyone's final course grade. Should this occur, students will be informed via e-mail.

Did I mention that, when it comes to changing the grade which you have earned, asking, pleading, crying, and/or offering bribes DO NOT WORK?

IX) About the Mini Tests

- a) Type of exam:
 - i) # of questions:
 - ii) Timed:
- b) Source of questions:
- c) Coverage:



_____ % from Lecture Questions

And

_____ % from the Text Book

- d) # of tests:
- e) Available:
- f) Number of Attempts:
- g) Which score COUNTS for your grade? The **highest score** is the one that counts for your grade.
- h) First mini-test available:
 - i) Make up policy:
 - j) Do not wait until
 - k) Do not forget to
 - l) There is a sample mini-test available now.

Is this guy for real??? Comments from others:

“Rate My Professors.com”

“Pick A Prof”

X) Cautions and Warnings:

- a) About the mini test scores
- b) About convenience
- c) About the work required
- d) About the course grade
- e) MORE about the work required
- f) About getting behind

XI) Midterm Examination: The midterm examination is worth 20% of the course grade and it includes all material through Lecture 13 (mini-test 6). The midterm exam is 50 questions and is timed to last 80 minutes. The questions are *randomly drawn from the same pool of questions used for the mini-tests (WITHOUT Marketing in the News questions)*.

The midterm exam is OPEN BOOK and OPEN NOTES international students can use a standard, hard copy translation dictionary. You cannot use other electronic devices (no cell phones, no other computers, no electronic translators).

- a) When and where it is taken
 - i) For in-class students, it MUST be taken in the College of Business computer labs (or at an approved testing center) between _____
 - ii) For web-based students, it MUST be taken using Proctor U between _____.

XII) Final Exam

- a. The Final Examination is worth 30% of the course grade and it includes all material from Lecture 14 (mini-test 7) to the last Lecture and to the end of Chapter 20, with no Marketing in the News questions.
- b. The final exam is OPEN BOOK and OPEN NOTES and you can use a calculator (international students can use a standard, hard copy translation dictionary). You can use a calculator, but cannot use other electronic devices. (no cell phones, no other computers, no electronic translators). The Final Examination is 50 questions and is timed to last 80 minutes. The questions are *randomly drawn from the same pool of questions used for the mini-tests*.
- c. When and where it is taken
 - i) For in-class students, it MUST be taken in the College of Business computer labs (or at an approved testing center) between _____
 - ii) For web-based students, it MUST be taken using Proctor U between _____.

- d) **MUST show a picture ID (KSU ID preferred)**
- e) Make up policy: NO make up; do NOT wait until the last hour to take it

- Who does better? In-class or web-based students?

XIII) To Succeed in the class:

- a) Mini tests:
- b) Review tests:
- c) If you do this, by the time of the final:

XIV) Classroom Policies

- a) Attendance
- b) Classroom Expectations
 - Participation
 - Distractions and Electronics – You cannot have cell phones out during class.
 - Harassment
- c) International Students - International Students for whom English is a second language, contact me for extra time on the test (Blackboard Learn email or Imarks@kent.edu)
- d) If there is a University Closing:
- e) Ask questions when you don't understand something
- f) Be polite in class and on-line

XV) Communications Policy

- a) How to communicate “officially”: Blackboard Learn e-mail or to Imarks@kent.edu

An IMPORTANT NOTE: BEGIN YOUR SUBJECT WITH “MKTG 25010”, then include the SUBJECT of your message (e.g., **MKTG 25010 – Question about Mini-test 1**).

- b) About phone messages:

XVI) Extra Credit Opportunities

- a) McGraw-Hill CONNECT Enhanced Learning Extra Credit (ELECs) -- Follow instructions in Extra Credit Folder on Blackboard website.
 - i) 10 ELEC's each can add up to .5% EACH to your FINAL GRADE (+3% !!).

- b) Research as Extra Credit

XVII) The Class Schedule, the Mini Test Schedule, and the ELEC schedule were at the front of this packet and are in the class syllabus available on Blackboard Learn

XVIII) Our Guest Faculty

- a) Who: KSU alumni and
- b) To show where:
- c) And to provide you with “ _____ ”

XIX) Guest Faculty -- Their names, titles, and organizations

<u>NAME</u>	<u>Title</u>	<u>“Type of Organization”</u>
1. Valerie Thwing	Director, Business Office	Business to Business (_____)—Service; Government
2. Tim Apel	President AAA Homes	Family Entrepreneur—(_____) Product
3. Don Kosec	V.P. Time Warner Business Services	Business to Business (_____)—Service
4. Rob Felber	President, Felber & Felber Marketing	Entrepreneur—(_____) Service
5. Fred Hunt	Director of Marketing, Sherwin-Williams	Business to Business--Product
6. Dan Muller	President, Distribution & Services, Timken	Business to Business—Industrial Product
7. Michele Skinn	Director, Fisher-Titus Foundation	Not for Profit Foundation--Service
8. Gary Trinetti	President & CEO, Garick Corp.	Entrepreneur—(_____)Product
9. Jim Wise	General Manager/V.P, Don Joseph Toyota	Retail Franchise—(_____)Product

Chapter 1: Creating Customer Relationships and Value Through Marketing

I) What IS Marketing?

- a) YOU are involved in Marketing every day, BUT:

II) Marketing Defined

- a) The American Marketing Association Definition:

“Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.”

<https://www.ama.org/AboutAMA/Pages/Definition-of-Marketing.aspx>

- b) Some controversy about the definition:

<http://adage.com/article/btob/ama-s-definition-marketing-stirs-debate/270398/>

- c) Kosec...Importance of Marketing to Time Warner Business Services

- i) Collect _____
- ii) Helps to _____
- iii) Use research and tools to _____
- iv) Through _____

- d) Marketing seeks to:

- i) Discover _____ of customers
- ii) Satisfy _____
- iii) At a _____
- iv) Through an _____

- e) It involves the idea of _____ which is the trade of things of value between buyer and seller so that each is better off after the trade.

III) Factors Influencing Marketing

- a) The Organization

- i) Mission
 - (1) Goals and Objectives
- ii) Management and people skills

iii) Resources

b) Society

c) Environmental Factors

(See text, Figure 1-2, A marketing department relates to many people, organizations, and environmental forces)

d) Ways to Satisfy Needs (for example, a funny birthday card):

1.

2.

3.

e) The Point: Only the last describes _____

IV) Requirements for Marketing to Occur

a) Two or more _____ involved in a _____, each with unsatisfied _____

b) Each must have a _____ and _____ to engage in an exchange

c) They need to be able to _____

d) Each party must have something of _____

V) What DO people want?

To satisfy consumers' needs, wants and desires (at a profit, through an integrated effort of the organization), we need to understand _____

_____.

a) BUT, people may not _____ or

b) People may not _____ or

c) People may not be able to _____ and how unknown products might satisfy them

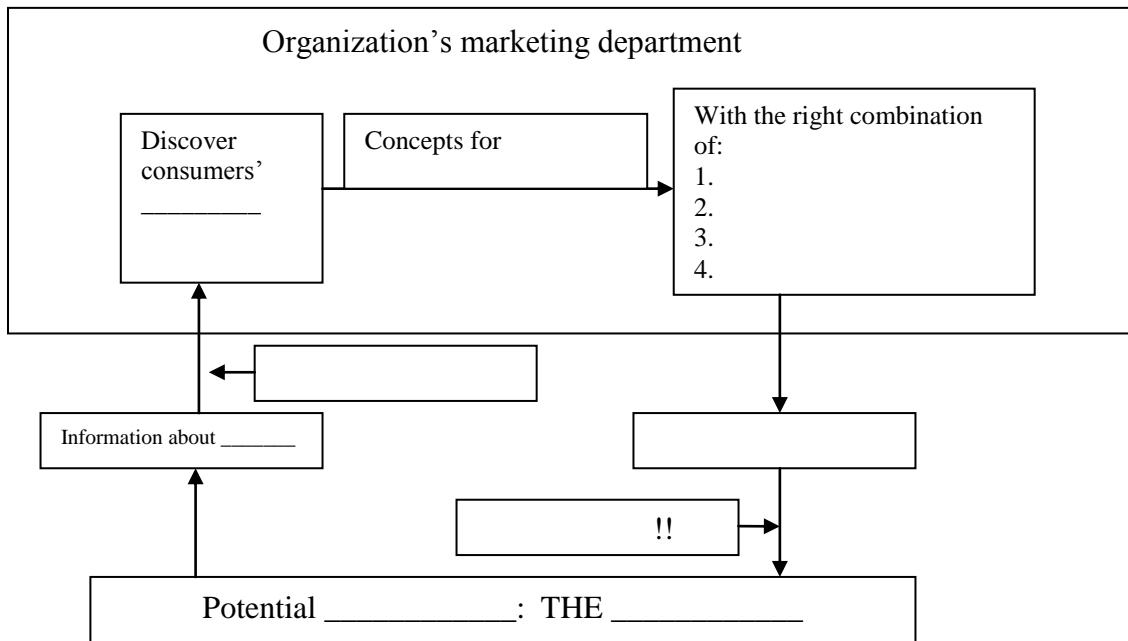
VI) Needs and Wants

- a) Consumer NEEDS come from _____
 - i) These are basic to life and society and include the need for food and shelter, the need to be safe, the need to belong and be loved, etc.
- b) Consumer WANTS are ways to satisfy _____ that are shaped by _____, _____, and personality.

VII) What is a Market?

- a) The MARKET is the set of all _____ and _____ buyers of a product.
- b) Implications of the definition (MAD)
 - i) _____
 - “Something of value to exchange”
 - ii) _____
 - “Ability to engage in an exchange”
 - iii) _____
 - “Desire to engage in an exchange”

VIII) Marketing seeks to discover then satisfy consumer needs through research and a marketing program (see text, page 9, Figure 1-3 and below) Marketing seeks to discover then satisfy consumer needs through research and a marketing program.



IX) How Marketing Satisfies Consumer Needs, Wants, and Desires

- a) We cannot be “all things to all people” so we must _____ our marketing efforts on one or more specific groups of consumer, our _____.

X) The Marketing Mix

- a) The Marketing Mix represents the _____ _____ have to satisfy consumers’ needs wants and desires.

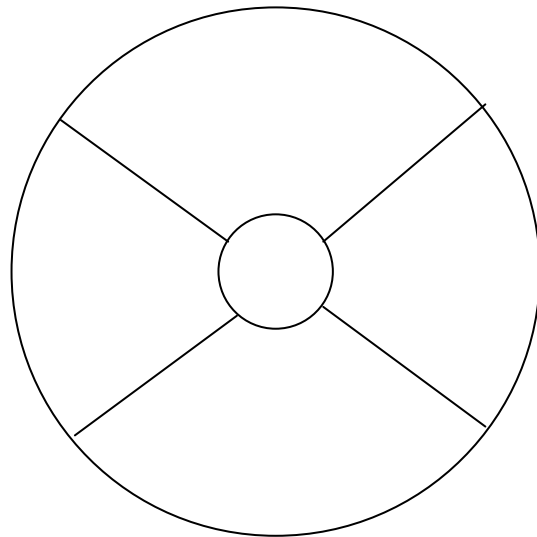
- b) This consists of the 4 P’s of the Marketing Mix

i)

ii)

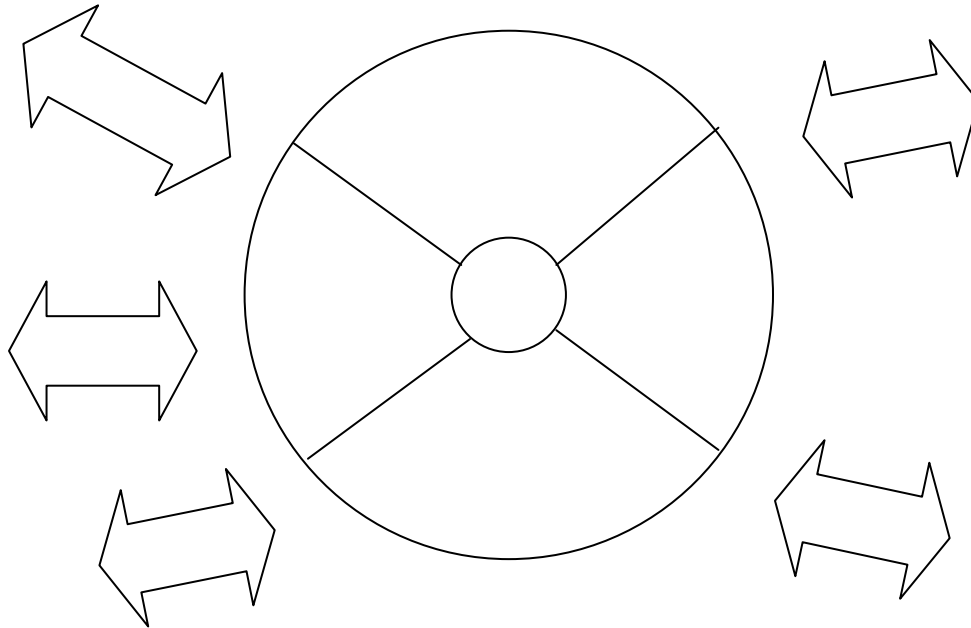
iii)

iv)



- c) Most of a firm’s marketing efforts involve the _____, _____, and _____ of the marketing mix.

XI) Important Factors in the Marketing Environment (CREST)



XII) Satisfaction through Value

- a) _____ is unique combination of benefits received by targeted buyers that includes quality, convenience, on-time delivery, and both before-sale and after-sale service at a specific price.
- b) Tim Apel – AAA Mobile Homes on “Creating Value”
 - i) Create Value through our _____ and
 - ii)
 - iii) To provide _____ and _____
 - iv) Consumers are getting _____
- c) Example of “Satisfaction through Value”: "Across many industries, we've seen that the retailers that grow _____ ratings the fastest have greater sales growth," says Chris Denove of J.D. Power and Associates. "Prices have come down dramatically on electronics items, and at the same time, the complexity of the products has increased. Expert advice is more important than ever."

XIII) Some Value Strategies

- a) Best _____
- b) Best _____
- c) Best _____
- d) What is “BEST?” It depends on _____ firm’s missions and objectives, _____ competitive situation, _____ environment, and _____ customers!

EXAMPLE: Douglas Conant, Pres. & CEO Campbell’s Soup Co.

- Reversed a decline in _____
- Stressed products that rank No. 1 or No. 2 in the key categories of simple meals, baked snacks and veggie-based drinks
- Dropped _____ brands, such as Godiva chocolates
- Focused on healthier for soups, V8 drinks and Pepperidge Farm snacks, and has pushed creating products that scream value, nutrition and convenience
- Says there are four "musts" for consumer products: (1) value, (2) wellness, (3) quality and (4) convenience

Fred Hunt...A VALUE Strategy Delivering VALUE to the customer at Sherwin Williams

- i) For the marketer, Value IS “ _____ . “
- ii) It is the way to _____.
- iii) PRODUCTS may be similar, but...the difference is in the “brand promise“
- iv) _____, _____, Reliability, Selection, “The Best”
- v) Get it done _____!
- vi) Deliver on _____

XIV) Relationship Marketing

- a) **Relationship marketing** links the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefits.

Lowe’s example: <http://maximizesocialbusiness.com/lowes-sustaining-customer-relationships-12506/>

b) Creating Value for Customers (Rob Felber -- Felber & Felber Marketing Services)

- i) Be a _____ for them
- ii) Be an _____ to them
- iii) Be there when _____
- iv) Provide a _____ for them

XV) The Evolution of the Market Orientation – Marketing Management Philosophies

a) Production concept

- i) Assumes consumers want products that are _____

- ii) Implies management should focus on improving _____
and _____
- iii) Useful when:

(1)

(2)

b) Product Concept

- i) Assumes consumers want products that offer the most _____,
_____, and _____.
- ii) Implies the firm should make continuous _____.
- iii) Places the focus on the _____, not on the
_____.

- c) Selling Concept
- i) Assumes consumers will not buy enough _____ unless there is a strong _____ and _____.
 - ii) Useful for
 - (1)
 - (2) Industries with _____ who must

- d) The Marketing Concept
- i) Assumes that achieving the organization's goals depends on determining and satisfying _____ more _____ and _____ than competitors.
 - ii) An organization should seek to make a profit by serving the needs of _____,

The Marketing Concept in B2B markets -- Muller..how we create value for our customers at Timken

- a) Our Vision = Create _____
- b) For example, helping the _____ to _____ and increase their _____
- c) Using our equipment, technology, and knowledge...
- d) BEYOND just _____

d. The Marketing Concept (continued)

- iii) Three parts to the concept:
 - (1) The satisfaction of consumers' _____, _____, and _____.

(2) at a _____

(3) through an _____ within the firm.

MICHELLE SKINN – What is Marketing?

a) Understanding consumers' _____ and the consumers' _____ are _____

b) It is not about US or our direction, but about _____; who will use it, who will purchase it

c) How can you _____?

iv) NOTES:

(1) Firms must identify and satisfy _____ AND continue to do so!

(2) Competition FORCES sellers to focus on _____.

(3) Consumers must be seen in the context of all _____ factors (managers must also have a “market orientation”).

e) The Societal Marketing Concept

i) Assumes that customer satisfaction should be delivered in a way that _____. (a customer's wants/needs may be at odds with what is good for society)

ii) Relates to the Ethics of doing business.

Patagonia Example: ***Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis.*** –Patagonia's Mission Statement

f) The Customer Relationship Era

- i) _____ Orientation
- ii) _____ Management
- iii) _____ Experience

XVI) Marketing and:

a) Synergy

- i) Managers must create marketing tactics that _____

- ii) They must _____ implementation.

b) Hypercompetition

- i) Competitive Advantages do not _____. Customer _____ and _____ require innovation, cost advantages, and quality enhancements.
- ii) Changes create new _____, with new _____.

c) Cross Functional Decision Making Teams

XVII) The Breadth and Depth of Marketing

a) Who Markets?

- i) Manufacturers
- ii) Retailers
- iii) Service Providers
- iv) Nonprofit Organizations
- v) Government
- vi) And YOU! (e.g., How to Market Yourself at <http://www.allaboutcareers.com/careers-advice/looking-for-a-job/how-to-market-yourself>)

b) What is Marketed?

- i) Products
- ii) Services
- iii) Ideas
- iv) Places
- v) People

VIDEO Commercial EXAMPLES – (a) Who is Doing the Marketing? (b) What is being Marketed? TAKE NOTES ON THESE EXAMPLES!

- c) Who Buys?
- i) Organizations (B2B)
 - ii) Ultimate Consumers (B2C)

d) Why buy? How consumers benefit:

Marketing creates UTILITY; *Utility* is the satisfaction, value, or usefulness a user receives from a good or a service.

- i) _____ – [Ben & Jerry's](#) turns cream, sugar and milk into ice cream
- ii) _____ – An ice cream truck brings yummys to your neighborhood
- iii) _____ – Your Walmart Supercenter is open 24 hours a day, 365 days a year...you can get ice cream anytime you want it
- iv) _____ -- Consumer value is created by allowing easy transferring of a product's ownership. Time payment, leasing, credit, and debit card purchase strategies can be important in making a product more attractive to a consumer.

(Additional Information)

- The role of the Chief Marketing Officer <http://www.marketingprofs.com/8/for-whom-the-bell-tolls-the-cmo-patterson.asp?adref=znnpbsc418>

Chapter 2: Developing Successful Marketing and Organizational Strategies

HP example: **Where's HP going?**

I) Strategic Planning

- a) If you don't know where you are going, you will _____
- b) By failing to prepare, you are preparing _____

II) Corporate Strategy

- Corporate strategy is used by _____, whether profit or non-profit, manufacturer or service, entrepreneurship or a global corporation.

III) Marketing Strategy

- a) Selecting and analyzing a _____ market and
- b) Creating and maintaining an appropriate _____ mix to
- c) Deliver a unique _____ experience
- d) While achieving organizational _____.
- e) Whether you are a profit or a nonprofit organization, you need to have a _____ to set your direction and achieve your goals.

IV) Three levels of Strategy in Organizations



(see text page 29, Figure 2-1, The board of directors oversees the three levels of strategy in organizations: corporate, business unit, and functional)

V) Organizational Structure

a) Corporate

- i. The “C” level; _____, _____, _____
- ii. Top management sets and _____ the overall strategy for the firm
 - How does this work for our entrepreneurs?
 - Tim Apel, AAA Homes
 - Rob Felber, Felber & Felber Marketing
 - Gary Trinetti, Garick
 - Which of our guest faculty are at the “C” level?
 - Dan Muller, Timken?

b) Strategic Business Units (SBU's)

- i. A division, _____, or profit center
- ii. Selling a distinct set of _____
to a specific _____

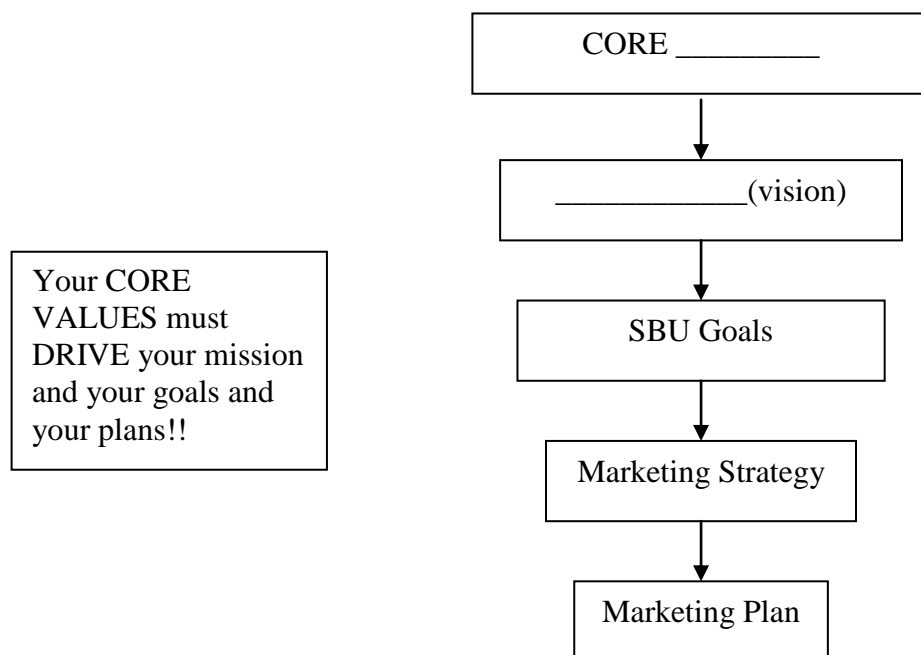
against well-defined _____.

- iii. SBU's operate in markets that have _____ sizes, growth rates, opportunities/threats, competition, and profit potential
- iv. So, planners must be _____ about these in doing planning, in allocating resources, and in performing evaluations

VI) Functional/Department Level

- Strategy can be made at three different level:
 - a) The Corporate Level
 - b) The Strategic Business Unit level
 - c) The functional or department level
 - i. Department input and role:

VII) Levels of Strategic Market Planning



VIII) Mission Statement

- a) The mission statement should be a clear and succinct representation of the enterprise's purpose for existence. It should incorporate criteria addressing concepts such as the moral/ethical position of the enterprise, public image, the target market, products/services, the geographic domain and expectations of growth and profitability.
- b) The _____ of the Mission Statement should be the first consideration for any employee who is evaluating a strategic decision.

c) Example – Mission/Vision at Timken

- i. WAS the “ _____ ”
- ii. BUT that put them in a “ _____ ”
- iii. NEW: _____ --Allows “out of the box thinking!”
- iv. For customers who are WILLING TO PAY for the _____ we create.
- v. REMEMBER: “ _____ ?”

d) Valerie on Mission

Our _____ GUIDES our business activities and what _____ we will take on.

IX) Goals or Objectives—Be “S.M.A.R.T.”

- i.
- ii.
- iii.
- iv.
- v.

- 1) Time Warner Business Services Goal is to “Keep our business _____ 25% per year”

Time Warner video:

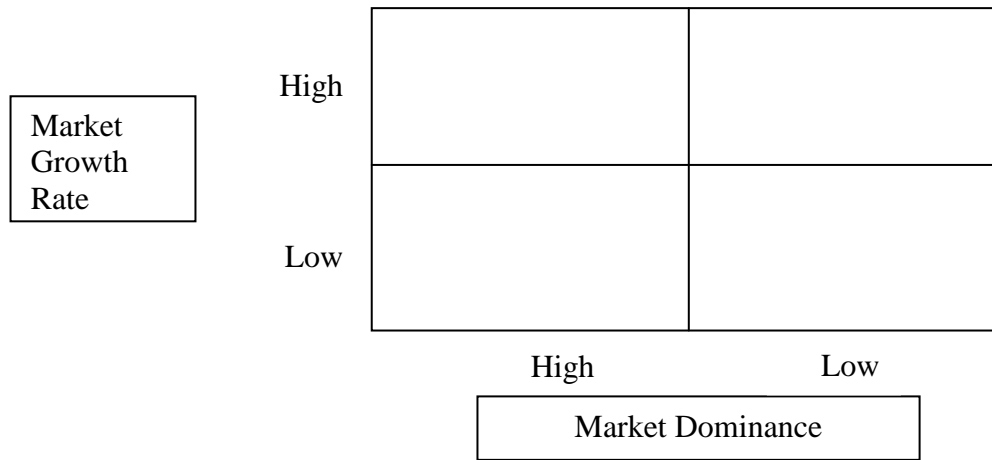
X) Types of Goals

- a) Profit
- b) Sales Targets
 - i. In Dollars
 - ii. In Unit Sales
- c) Market Share (our percent of the market)
- d) Quality
 - i. High? Acceptable?
- e) Customer Satisfaction
- f) Efficiency
- g) Employee Welfare
- h) Social Responsibility
 - i. Example—Portage County Health Services:

XI) Setting Strategic Directions

- a) Understanding where we are NOW (“Three and ½ C’s”)
 - i. Our _____
 - 1) _____ (our Unique Selling Proposition)
 - ii. Our _____
 - iii. Our _____
- b) Where do we want to go? Do we want to:
 - i.
 - ii.
 - iii.
 - iv.
 - Use Portfolio Analysis to help figure it out

XII) Product Portfolio Models – The Boston Consulting Group



a) Cash Cows

i. Dominant in Low Growth Market

- 1) Low _____ Sales
- 2) Strong _____
- 3) Generate _____ Cash Flow
- 4) Do NOT require _____ to be Reinvested
- 5) Profits flow to Appropriate _____



b) Problem Children

i. Low Market Share in High Growth Market

- 1) High _____
- 2) Weak _____
- 3) Typically, require additional



c) Star

i. Dominant in High Growth Market

- 1) High _____
- 2) Profitable, but _____
- 3) Requires _____
- 4) Will be _____



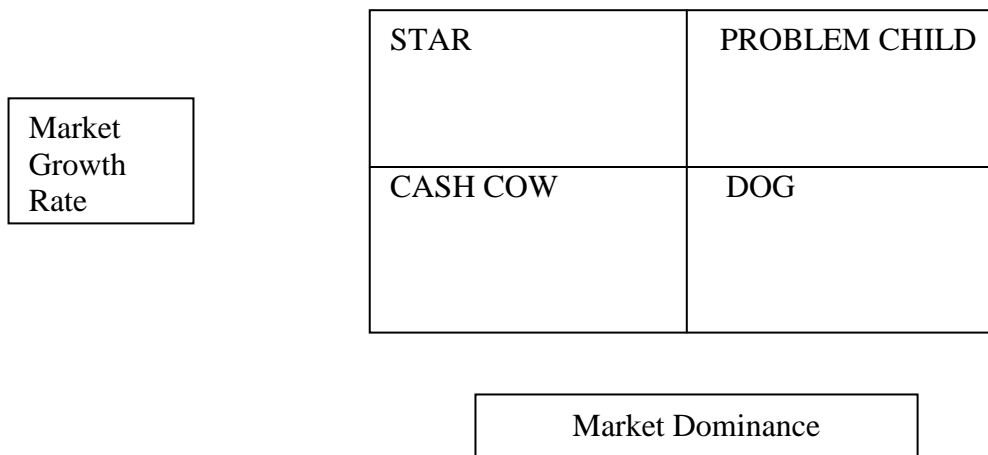
d) Dogs

i. Low Market Share in Low Growth Market

- 1) Low _____
- 2) Weak _____
- 3) Typically, generate _____
- 4) Not a good candidate for _____



Example -- The BCG MODEL and Coca-Cola



XIII) Product Portfolio Models – The Directional Policy Matrix

		Competitive Position		
		STRONG	Medium	weak
Market Attractiveness	HIGH	Maintain Leadership	Challenge the Leader	Overcome, Niche, or Quit
	Medium	Challenge the Leader	Manage for Earnings	Harvest
	low	Cash Generator	Harvest	Divest

XIV) Tracking Strategic Directions with Marketing Dashboards

a) What are they?

- i. the visual display on a single computer screen of the essential information related to achieving a marketing objective.

Example – Jim Wise -- Marketing Dashboards at Don Joseph Toyota

- a We can actually get _____ information.
 - b But, with good _____ we can get the information we need!
 - c How many _____
 - d Where are they in the _____
 - e Did they _____
 - f Did we get _____
 - g Dashboards make it easy to _____
- b) iDashboards – Driving Business Decisions (<http://www.idashboards.com/>)

Example – Using Dashboards at Don Joseph Toyota for Media Effectiveness

- i). One use is to measure _____.
 - ii). What _____ of media influenced the customer?
- c) Using data to take _____

XV) The Strategic Marketing Process

- a) Situation Analysis with _____
 - i. Internal Factors
 - 1)
 - 2)
 - ii. External Factors
 - 1)
 - 2)

Example: Fred Hunt on the Importance of SWOT

- a Few _____ from the _____ are used more than the SWOT analysis

- b When you talk strategy, you go back to _____ to ask the deep _____!
- c From the analysis you can develop appropriate _____

b) ACTIONS based on SWOT:

Location of Factor	Type of Factor	
	FAVORABLE	UNFAVORABLE
Internal	Strength	Weakness
External	Opportunity	Threat

c) Market-Product Focus and Goal Setting

- i. _____
 - 1) IDENTIFY groups of buyers who (a) have common needs and (b) will respond differently to a marketing effort
- ii. _____
 - 1) SELECTION of one or more segments and developing a marketing plan to serve them
- iii. Jumbo Shrimp Marketing Example (the video)
 - Most Big Businesses began small;
 - Nike, Dell, Starbucks,
 - Is Bigger Always Better?
 - Get Bigger by ACTING smaller!

Marketing Rules for How to get BIG by acting smaller!

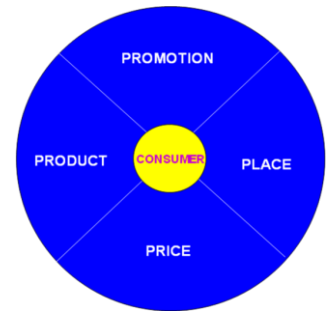
- #1 Be the _____
- #2 LOVE _____
- #3 Passion _____
- #4 Treat _____
- #5 Redefine _____



View “Jumbo Shrimp Marketing” at
http://www.youtube.com/watch?v=UApCcRqu_Xo

d) The Marketing Program (the 4 P's of the _____)

- i. Product Strategy
- ii. Price Strategy
- iii. Promotion Strategy
- iv. Place (Distribution) Strategy



e) See Text page 43, Figure 2-8 The Elements of the Marketing Mix MUST be blended to produce a COHESIVE marketing program!

XVI) Implementing the Marketing Plan

- a) Obtain Resources
- b) Design the Marketing Organization
- c) Develop the Schedules
- d) Execute the Marketing Program

XVII) Evaluating the Results – Muller at Timken

- a) _____ used to create communities of interest on Key Performance Indicators
- b) Available _____
- c) Reviewed in Monthly _____
- d) Everyone goes through the _____
- e) People pay attention to _____!!

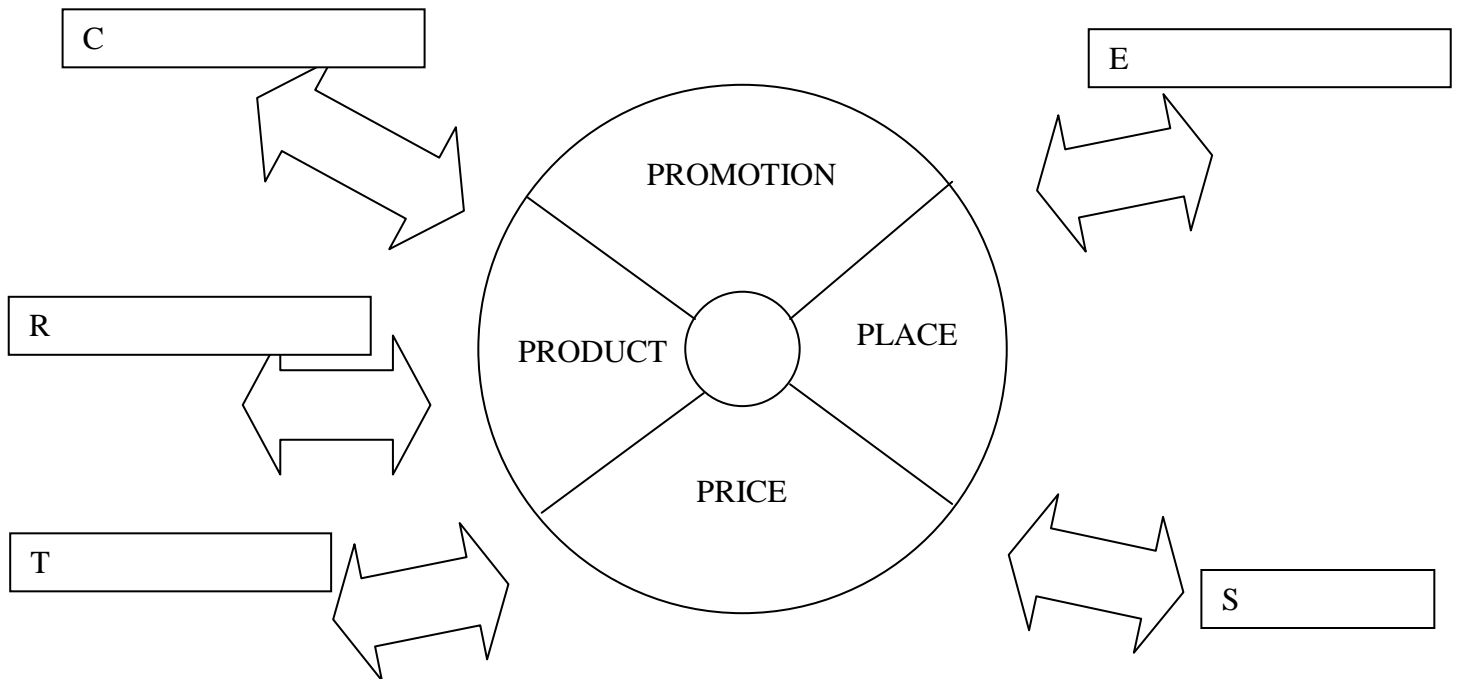
Chapter 3: Scanning the Marketing Environment

I) Environmental Scanning

a) The process of continually acquiring information on events occurring outside the organization to **identify** and **interpret** potential trends.

- i) Requires _____ and _____
- ii) Intelligent _____ and _____ of the information

II) Environmental Factors Affecting the Organization (CREST)



III) Social Forces

a) Factors in a society that bring about changes in attitudes, beliefs, norms, customs and lifestyles.

- i) These affect how people live AND _____, _____, and _____ they buy.

IV) Demographics (a social force)

a) A population's characteristics such as age, gender, ethnicity, income, and occupation.

- i) World POPClock <http://www.census.gov/population/popclockworld.html>
- ii) Poodwaddle <http://www.poodwaddle.com/Stats/ - Population2>

b) Generational Cohorts (from the text)

- i) Baby Boomers: 1946-1964

- ii) Generation X: 1965-1976
 - iii) Generation Y: 1977-1994
 - iv) Millennials: 1995+
- c) Generational Cohorts (more broadly than the textbook)
- i) The Greatest Generation: 1901-1945
 - a) Subset: The Depression Cohort – 1912 – 1921
 - b) Subset: The World War II Cohort – 1922 – 1927
 - c) Subset: The Post-War Cohort – 1928 – 1945
 - ii) Baby Boomers: 1946 – 1964
 - a) Leading-Edge - 1946 to 1955
 - b) Trailing-Edge – 1956 to 1964
 - iii) Generation X: 1965 – 1980
 - iv) Generation Y (Millennial Generation): 1981–1995 (or 2000)
 - v) Generation Z: 1996 (or 2000) – 2010
 - iGen, Gen Tech, Digital Natives, Net Gen
 - vi) Generation Alpha? (since 2010)
- d) Generational Marketing -- These cohort represent potential _____ with differing needs, wants, desires, values, etc.
- i) Greatest Generation - Depression Cohort/G.I. Generation - Born 1912 – 1921 and age 95+ in 2016. This group’s coming-of-age experience consisted of economic strife, elevated unemployment rates and having to take menial jobs to survive. _____ rules their thinking. Not a key target audience now, but their _____ have influenced marketing.
 - ii) Greatest Generation – Silent Generation or World War II Cohort - Born 1922 – 1927 and age 89-94 in 2016. This cohort was focused on defeating a common enemy, and their members are more team-oriented and _____ than those of other generational cohorts. In terms of communication, this cohort prefers _____ media for information.
 - iii) Post-War Cohort - Born 1928 – 1945 and aged 71-88 in 2016. A time of remarkable economic growth and social tranquility. EXAMPLE - The Vermont Country Store:
- iv) Leading-Edge Baby-Boomer Cohort - Born 1946 to 1955 and age 61-70 in 2016. They are very aware of their cohort grouping, and they are very self-assured and _____. They hate being considered _____.

Appeal to them with references to being _____, the opportunities of retirement and beyond, and their seniority.

Video Example:

A company that is success with Baby Boomers is _____.

v) Trailing-Edge Baby Boomer Cohort - Born 1956 to 1964 and age 52-60 in 2016. This group witnessed the fall of Vietnam, Watergate, and Nixon's resignation.

These individuals are far less _____ about their financial future than Leading-Edge Boomers.

Baby Boomer Cohort as Grandparents:

vi) Generation X Cohort - Born 1965 – 1980 and age 36-51 in 2016. These are the latchkey children of the '80s.

These are the latchkey children of the '80s, and have received the most _____ publicity. Perhaps because many have seen first-hand the trauma of divorce, this cohort has delayed marriage and children, and they don't take those commitments lightly.

This group shows a spirit of _____.

They accept _____ and put quality of personal life ahead of work life.

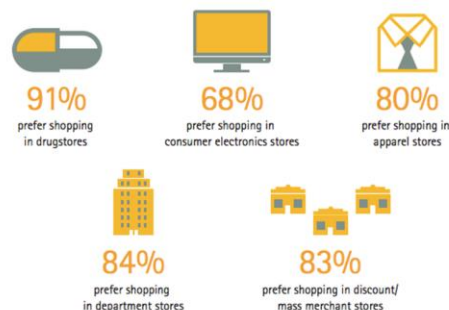
Reaching Gen-Xers is complicated:

Their experiences have made them into independent, resourceful, and family-oriented adults.

VIDEO EXAMPLE:

vii) The Millennial Generation Cohort - Born 1981 to 1995 (or 2000) – Aged 21-35 in 2016. They are also known as "Gen Y."

In 2015, the "Millennial" generation became the nation's _____.



By 2020, projections are that millennial spending in the United States will grow to _____ trillion annually and represent _____ of total retail sales.

--Trusts _____ more than customary marketing.

--Make _____ a large feature of your service or product page.

--Encourage your customers to submit user-generated content through contests or discounts.

--They value _____ over possessions.

EXAMPLES:

Impact of Generation Preferences (and Technology) – Don Kosec



CRAIG BLANKENHORN /HBO, VIA ASSOCIATED PRESS



ERIC MCCANDLESS/ABC

Millennials (born 1980-1995)		Generation Z (born 1996-2010)	
TV ICON	Hannah Horvath, "Girls"	Alex Dunphy, "Modern Family"	
MUSIC	Lady Gaga	Lorde	
SOCIAL MEDIA	Facebook	Snapchat, Whisper	
WEB STAR	PewDiePie, YouTube	Lele Pons, Vine	
STYLE INFLUENCER	Olsen twins	Tavi Gevinson	
CLOTHES	American Apparel	Shop Jeen	
FIRST GADGET	iPod	iPhone	

viii) Generation Z - Born 1995 (or 2000) – 2010 and age 7 to 21 (ish) in 2016.

Generally thought to be _____.

Most of Gen Z prefers a _____ and "LCD Screen" life-style.

Generation Z calls their own shots--they refuse to be _____.

They are _____ their own experiences from fashion to entertainment to communication.

Their role models are young, everyday characters like The Hunger Games' Katniss Everdeen, who face seemingly inescapable scenarios but rise above them to _____.

To appeal to Gen Z, Taco Bell has "leaned in to emerging platforms, including _____; built campaigns around cultural moments, such as " _____"; and continued to embrace food mashups.

ix) PLUS the newest cohort – Generation Alpha - Born 2010 through today and age newborn to 6 in 2016.

Promises to be the most highly _____, _____ and technologically proficient generation to live so far.

They are expected to be socially and ecologically _____.

For now, _____ will be making most of their buying decisions and their _____ will be the parent calling the spending shots

To Reach Generation Alpha Parents:

Be _____ and personalize products.

Embrace and promote _____.

Don't ignore the _____.

V) Social Forces

a) Marital Status

b) Cohabitation

c) Blended Family

--What are the Characteristics of YOUR target market?

--How are they changing?

d) Racial and Ethnic Diversity (data as of 7/1/14)

i. _____ - population totaled 55.4 million.

-- Largest state (15 million): _____

-- Largest County (4.9 million): _____

ii. _____ - population totaled 45.7 million.

-- Largest state (3.8 million): _____

-- Largest County (1.3 million): _____

iii. _____ - population totaled 20.3 million.

-- Largest state (6.3 million): _____

-- Largest County (1.7 million): _____

iv. _____ - population totaled 6.5 million.

-- Largest state (1.1 million): _____

-- Largest County (235,000): _____

NIKE Example:

e) Cultural Trends

i. Green Marketing!

ii. And...

“Healthy Living”

“Do-it-yourselfers”

“Adventurers”

“Cocooning” (stay home more with “creature comforts” – home networks, home theatres)

Patriotism

VI) Economic Forces

a) Economy

i) The factors relating to _____, expenditures, and resources that affect the _____ of running a business and a household

b) Macroeconomic Conditions

c) Consumer Income

i) Gross Income (amount earned in a year)

ii) Disposable Income (after taxes)

iii) Discretionary Income (after necessities)

iv) Marketing use of the data...ESRI Communities

http://www.esri.com/data/esri_data

d) Audio Example ECONOMIC FORCES: Auto Industry and economic forces

1. January 5, 2016 – “Report Card” for auto industry; _____ straight year of growth

2. Final sales for 2015 expected to exceed _____.

3. Cheap _____ boosted sales of trucks, SUVs and luxury vehicles.

4. Before the recession, car companies were addicted to the sales of big trucks and SUVs. When gas prices skyrocketed, they were slow to react and almost lost it all!

5. Today, with low gas prices, consumers are buying SUVs. Jeep was a big winner with sales up 40%. Hybrid and alternative vehicle sales took a hit.

6. The industry has learned a very basic economic lesson: Adjust production for _____ (DUH!).

7. Auto sales depend on (a) gas prices, (b) improved unemployment rate, (c) improved consumer confidence, (d) low interest rates, and (e) credit.

Understanding CREST factors is IMPORTANT!

Video: Rob Felber, Felber & Felber's Response to Economic Forces

- a) We have been through _____
- b) This one is hitting _____!
- c) We learn if it affects our _____ it affects us...so we need to find ways to _____
- d) And we need foresight for the next change to _____ the change.

VII) Technological Forces

- a) Technology's Impact on Customer Choices and Their Views of "Value"
 - i) Reduced costs = customers focus on other attributes
 - ii) Introduction of new products
 - iii) Changes to production (e.g. increased use of recycling)
- b) Time Warner – Consistent Leader in Innovation
- c) Electronic Business Technology
 - i) Marketspace - an information and communication based electronic exchange environment, where physical boundaries no longer interfere with buy/sell decisions.
 In a marketspace, information and/or physical goods are exchanged, and transactions take place through computers and networks
 - ii) Electronic Commerce
 - iii) Intranet
 - iv) Extranets

Video Example: An expert manager's reaction to the impact of technological changes on a traditional business

1. How have _____
2. Recognize the fact then
3. _____????
4. Teaching Point:
 This is _____ what some _____ DO!

VIII) Competitive Forces

a) Competition

Other firms/organizations/people that want to take your customers/clients from you by providing better need satisfaction than you do, can, or care to.

NOTE: Your success will come from finding a better way to _____ (i.e., from a “competitive advantage”). NOT from your “need” to _____ (which is the wrong focus)

b) Alternative Forms of Competition

i) Pure Competition

- (1) Large number of sellers
- (2) Similar Products
- (3) Distribution is very important

Example:

ii) Monopolistic Competition: many competitors in the market and no one firm has significant control over the market price. Each company produces a similar product but differentiation is possible.

- (1) Large number of sellers
- (2) Products are unique, but substitution can occur
- (3) Pricing is important

Examples include _____, _____, _____, shampoos, toilet paper.

iii) Oligopoly: market is dominated by a small number of sellers.

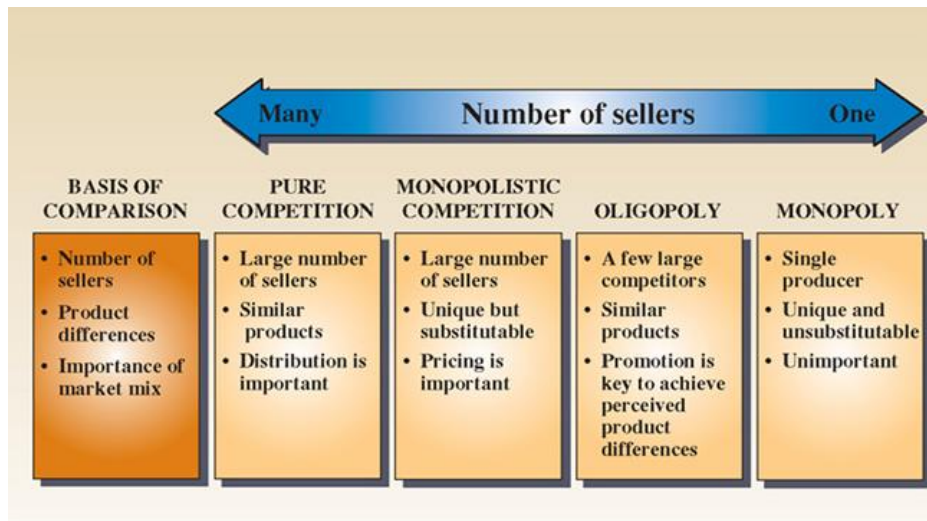
- (1) A few large competitors
- (2) Products are relatively similar
- (3) Promotion is the key to demonstrate product differences

Examples:

iv) Pure Monopoly

- (1) A single producer
- (2) A unique and unsubstitutable product
- (3) The marketing mix is not an important factor

Examples:



Graphic: A continuum of competition

c) Types of Competition

- Consumers have _____
- Companies compete for these _____

i) At the Brand level -- Brand Competition

Selling the same type of product that you do (e.g., Colgate or Crest?)

ii) At the Product level -- Substitute Product Competition

Offers consumers a choice of how to spend their dollars within a broad product category (examples):

iii) At the Company level – (examples):

iv) HOW does a firm successfully compete?

(1) YOUR goal is to find a _____

“If you went out of business, would anyone _____ you?”

(2) Having gained it, you must _____

d) Response to Competitive Trend

Audio Example -- Italy “allows” wine in boxes!! What changed their minds?

(1) Realization that they would NOT be able to _____ in a global market without _____ some traditional restrictions.

(2) Boxed wine is the _____

(3) NOT for the _____

(4) Northern Europe is _____ of the market!

(5) In the U.S. _____ to _____ of market.

(6) It is _____ to produce

IX) Political and Legal Forces (see the textbook)

a) Monetary and Fiscal Policies

- e.g., Government Spending

b) Social Legislation and Regulation

- e.g., Antipollution Laws

c) To Regulate Competition

- e.g., Rules on monopolies and restraint of trade

d) To Protect Consumer

- e.g., Regulation of Food and Drug Labels

Chapter 4: Ethical and Social Responsibility in Marketing

- I) Ethics
- a) The _____ and _____ that guide the actions and decisions of an individual or a group
- II) Business Ethics
- a) involves what is right and wrong in the workplace...and doing right.
- *Unethical business behavior can get you investigated, fired or _____!*
- III) Business Ethics: WHO NEEDS IT?
- a) "NO ONE" Because:
- It's religion, not business.
 - Our people ARE ethical.
 - It's for philosophers.
 - It's Obvious--"Do Good"
 - It's preaching
 - It's just a recent fad.
 - Ethics can't be managed.
 - It's the same as "social responsibility."
 - If a firm is not in legal trouble, it's ethical.
 - Managing ethics has little practical relevance.
- b) Well, maybe....BUT
- Nestle's -- Infant formula
 - Beech-Nut -- watered apple juice
 - Manville -- asbestos & employees
 - E.F. Hutton -- kiting scheme
 - Union Carbide -- Bhopal, India
 - Enron -- Conflicts of Interest
 - Worldcom/MCI -- Inflated Accounting Reports
 - Martha Steward -- Insider Trading
 - Bernie Madoff -- First Jail, Then Bankruptcy for Madoff
- x) Nike -- Questionable Hiring Practices
- (1) The Background
- Nike has been heavily criticized for NOT being _____
 - Accusation: use of sweatshops and child labor overseas, and _____.
 - Accusation: targeting _____ by making shoes an expensive status symbol for poor urban street kids.

(2) Nike's Corrective Behavior

- (a) _____ and six-point plan ensures more socially responsible labor practices & commissioned an independent study of Nike factories abroad.
- (b) Created a huge _____ department and publishes a Corporate Responsibility Report.
- (c) The Nike Foundation works to unleash the unique potential of adolescent girls to end poverty for themselves and for the world.

IV) Figure 4-1 (text page 93) Four ways to classify marketing decisions according to ethical and legal relationships

- a) Unethical AND Illegal – DUH!
- b) Ethical AND Legal – Okay to consider
- c) Ethical but Illegal?
- d) Unethical but Legal?

	Illegal	Legal
Ethical		
Unethical		

V) Criticism of Marketing

- a) High prices
- b) Deceptive practices
- c) High-pressure selling
- d) Shoddy, harmful, or unsafe products
- e) Planned obsolescence
- f) Poor service to disadvantaged consumers
- g) WHEN THESE OCCUR, they have **impact on**
 - i)
 - ii)
 - iii) other businesses

VI) High Prices

- a) Causes:
 - i) High costs of _____ and _____
 - Consumers want convenience, they want lots of assortment, they want easy return privileges, etc.
 - ii) High _____ and _____ Costs

- Generic vs. Branded? ***Why such a difference between generic and branded product prices?***

Cancer Research Example:

- b) SO, markups that result in high prices often reflect services that customers WANT and are willing to pay for:
 - i) Convenience
 - ii) Image
 - iii) Safety
 - iv) Service
 - v) Return privileges, warranties

VII) Deceptive Practices

a) Deceptive Pricing

i)

b) Deceptive Promotions

i)

c) Deceptive Packaging

i)

d) Deceptive Practices lead to:

i) Legislation

e) Is Puffery Deception?

Puffery as a legal term refers to promotional statements and claims that express subjective rather than objective views, such that no _____ would take them literally.

f) Harm Business / Buyer Beware

VIII) High-Pressure Selling

a) Some people are trained to deliver

i) High-pressure selling persuades people to buy goods they had - _____ of buying

ii) High-pressure selling can occur because of prizes going to top sellers.

b) It DOES happen...

c) BUT, it is not "standard business practice"

i) High-pressure selling is _____ long-term relationships.

IX) Unsafe Products

- a) Products that are not made well or services that are not performed well.
- b) Products that deliver little benefit or that may be harmful
- c) Unsafe products come from:
 - i) Manufacturer _____
 - ii) Increased _____
 - iii) Poorly trained _____
 - iv) Poor quality _____, and
 - v) Outright _____ people.

Examples:

- Takata Airbag Recall
- Wal-Mart Pulling Children's Jewelry With Toxic Metals
- Salmonella problems in the food supply
Chipotle sales and revenue plummet!

- d) Consumer Product Safety Commission provides HELP for consumers
 - i) Mission
“To protect consumers against unreasonable risk of injury by developing voluntary and mandatory standards, banning dangerous consumer products, issuing recalls of products already on the market, and researching potential hazards associated with consumer products.”
<http://www.cpsc.gov/>
- e) Video: Apel on Safe/Quality Products
 - i) Fix _____ and fix them right
 - ii) Get products that provide the little features that consumers WON'T notice at first, but that they _____ later
 - iii) The result is a _____ who will be happy and who will come back and refer others!

X) Planned Obsolescence

- a) Products needing replacement before they should because they are obsolete
- b) Producers who influence consumer concepts of _____.
- c) Intentionally holding back attractive functional features, then introducing them later to make old model obsolete.
- d) The case of the Apple iPhone
- e) Legislation
 - i) In 2015 legislation was passed in France that requires companies to outline the _____ of a product to consumers.

XI) Poor Service to Disadvantaged Consumers

- a) Poor are forced to shop in smaller stores where they _____ for _____ goods.
- b) “Redlining” by national chain stores occurs in disadvantaged neighborhoods.
 - i) Redlining charges have also been leveled against insurers, banking, health care providers and others.
- c) Poor are targeted for “rapid refunds.”

XII) Cultural Pollution

- a) Mass communication media is _____ and reaches outside target segment,
- b) But, _____ keeps the cost of radio and television free and magazines/newspaper down, and
- c) Consumers can opt for technologies or media that reduce or eliminate ads

XIII) Questionable Judgments in Advertising

- a) Example: Provocative ads for Clearasil upset parents.
- b) Are such ads:
 - i) Over the top?
 - ii) Unethical?
 - iii) Humorous? Funny?
- c) Should they be:
 - i) _____?
 - ii) _____?
 - iii) Or should _____ be the main influence?
- d) Clearasil's Response
Our objective is to inform and entertain, not to _____. We have found that Clearasil consumers see this ad as we intended: a humorous and unrealistic presentation of an awkward family event.
- e) ...#MyCalvins example:
 - i) There are over 179,000 photos on _____ tagged #MyCalvins.
 - ii) These _____, authentic posts endorsing the brand are an extremely powerful way to interact with young people.
 - iii) and...I _____ in #MyCalvins
--Not everyone is happy [video]:

Which is _____. If consumers don't agree, they should _____ the brands products.

iv) and...I _____ in #MyCalvins --More Controversy

v) Why do it? Because It _____:

The #MyCalvins campaign has led to significant growth on Calvin Klein's _____.

It has reached a global audience surpassing _____ million fans

f) PepsiCo Recycling -- Socially Responsible Marketing

i) Dream Machines

(1) PepsiCo: goal of increasing the U.S. beverage container recycling rate to _____%

(2) Dream Machines are _____ kiosks providing an easy, convenient and _____ way to recycle bottles and cans on the go.

(3) Users receive _____

XIV) Management's Response to the need to be ethical

a) Corporate Culture

i) Aveda example:

<http://www.aveda.com/discover/index.tmpl#section=mission>

Our mission at Aveda is to care for the world we live in, from the products we make to the ways in which we give back to society. At Aveda, we strive to set an example for environmental leadership and responsibility, not just in the world of beauty, but around the world.

b) Codes of Ethics

c) Behavior of Top Management

i) Ombudsman for Ethics

d) MANAGING the ethical environment of your firm and its employees!

e) Video: Kosec – Ethics begins at the top!

i) If you are not ethical then I can't _____ or _____ you!

ii) We want _____ in our marketing

iii) MCI _____ as a result of unethical practices

- iv) Sarbanse-Oxley
- v) Ethics starts at the _____
- f) Video: Hunt on Ethics – It all starts at the top
 - i) Based on my experience it all _____.
 - ii) At Sherwin-Williams the _____ are exemplary and they emphasize this in all areas of the firm
 - iii) As a result, it is a _____

XV) Good ethics IS Good Business

- a) For shareholders
- b) For Employees
- c) For business partners
- d) For Customers/Clients
- e) And for Society!

Patagonia example:

- Patagonia lately has been urging its outdoorsy customers to " _____ " and question whether they really need that several-hundred-dollar new parka, even from Patagonia.
- The result? Patagonia's fans and customers are both joining the brand's sustainability cause—and buying more new parkas from Patagonia

XVI) AMA Ethics Statement

<http://www.marketingpower.com/AboutAMA/Pages/Statement%20of%20Ethics.aspx>

<http://www.marketingpower.com/AboutAMA/Pages/Statement%20of%20Ethics.aspx>

PREAMBLE

The American Marketing Association commits itself to promoting the highest standard of professional ethical norms and values for its members (practitioners, academics and students). Norms are established standards of conduct that are expected and maintained by society and/or professional organizations. Values represent the collective conception of what communities find desirable, important and morally proper. Values also serve as the criteria for evaluating our own personal actions and the actions of others. As marketers, we recognize that we not only serve our organizations but also act as stewards of society in creating, facilitating and executing the transactions that are part of the greater economy. In this role, marketers are expected to embrace the highest professional ethical norms and the ethical values implied by our responsibility toward multiple stakeholders (e.g., customers, employees, investors, peers, channel members, regulators and the host community).

ETHICAL NORMS – As Marketers, we must:

1. **Do no harm.** This means consciously avoiding harmful actions or omissions by embodying high ethical standards and adhering to all applicable laws and regulations in the choices we make.
2. **Foster trust in the marketing system.** This means striving for good faith and fair dealing so as to contribute toward the efficacy of the exchange process as well as avoiding deception in product design, pricing, communication, and delivery of distribution.
3. **Embrace ethical values.** This means building relationships and enhancing consumer confidence in the integrity of marketing by affirming these

core values: honesty, responsibility, fairness, respect, transparency and citizenship.

ETHICAL VALUES

Honesty – to be forthright in dealings with customers and stakeholders. To this end, we will:

- ~Strive to be truthful in all situations and at all times.
- ~Offer products of value that do what we claim in our communications.
- ~Stand behind our products if they fail to deliver their claimed benefits.
- ~Honor our explicit and implicit commitments and promises.

Responsibility – to accept the consequences of our marketing decisions and strategies. To this end, we will:

- ~Strive to serve the needs of customers.
- ~Avoid using coercion with all stakeholders.
- ~Acknowledge the social obligations to stakeholders that come with increased marketing and economic power.
- ~Recognize our special commitments to vulnerable market segments such as children, seniors, the economically impoverished, market illiterates and others who may be substantially disadvantaged.
- ~Consider environmental stewardship in our decision-making.

Fairness – to balance justly the needs of the buyer with the interests of the seller. To this end, we will:

- ~Represent products in a clear way in selling, advertising and other forms of communication; this includes the avoidance of false, misleading and deceptive promotion.
- ~Reject manipulations and sales tactics that harm customer trust.
- Refuse to engage in price fixing, predatory pricing, price gouging or “bait-and-switch” tactics.
- ~Avoid knowing participation in conflicts of interest.
- Seek to protect the private information of customers, employees and partners.

Respect – to acknowledge the basic human dignity of all stakeholders. To this end, we will:

- ~Value individual differences and avoid stereotyping customers or depicting demographic groups (e.g., gender, race, sexual orientation) in a negative or dehumanizing way.
- ~Listen to the needs of customers and make all reasonable efforts to monitor and improve their satisfaction on an ongoing basis.
- ~Make every effort to understand and respectfully treat buyers, suppliers, intermediaries and distributors from all cultures.
- ~Acknowledge the contributions of others, such as consultants, employees and coworkers, to marketing endeavors.
- ~Treat everyone, including our competitors, as we would wish to be treated.

Transparency – to create a spirit of openness in marketing operations. To this end, we will:

- ~Strive to communicate clearly with all constituencies.
- ~Accept constructive criticism from customers and other stakeholders.
- ~Explain and take appropriate action regarding significant product or service risks, component substitutions or other foreseeable eventualities that could affect customers or their perception of the purchase decision.
- ~Disclose list prices and terms of financing as well as available price deals and adjustments.

Citizenship – to fulfill the economic, legal, philanthropic and societal responsibilities that serve stakeholders. To this end, we will:

- ~Strive to protect the ecological environment in the execution of marketing campaigns.
- ~Give back to the community through volunteerism and charitable donations.
- Contribute to the overall betterment of marketing and its reputation.
- ~Urge supply chain members to ensure that trade is fair for all participants, including producers in developing countries.

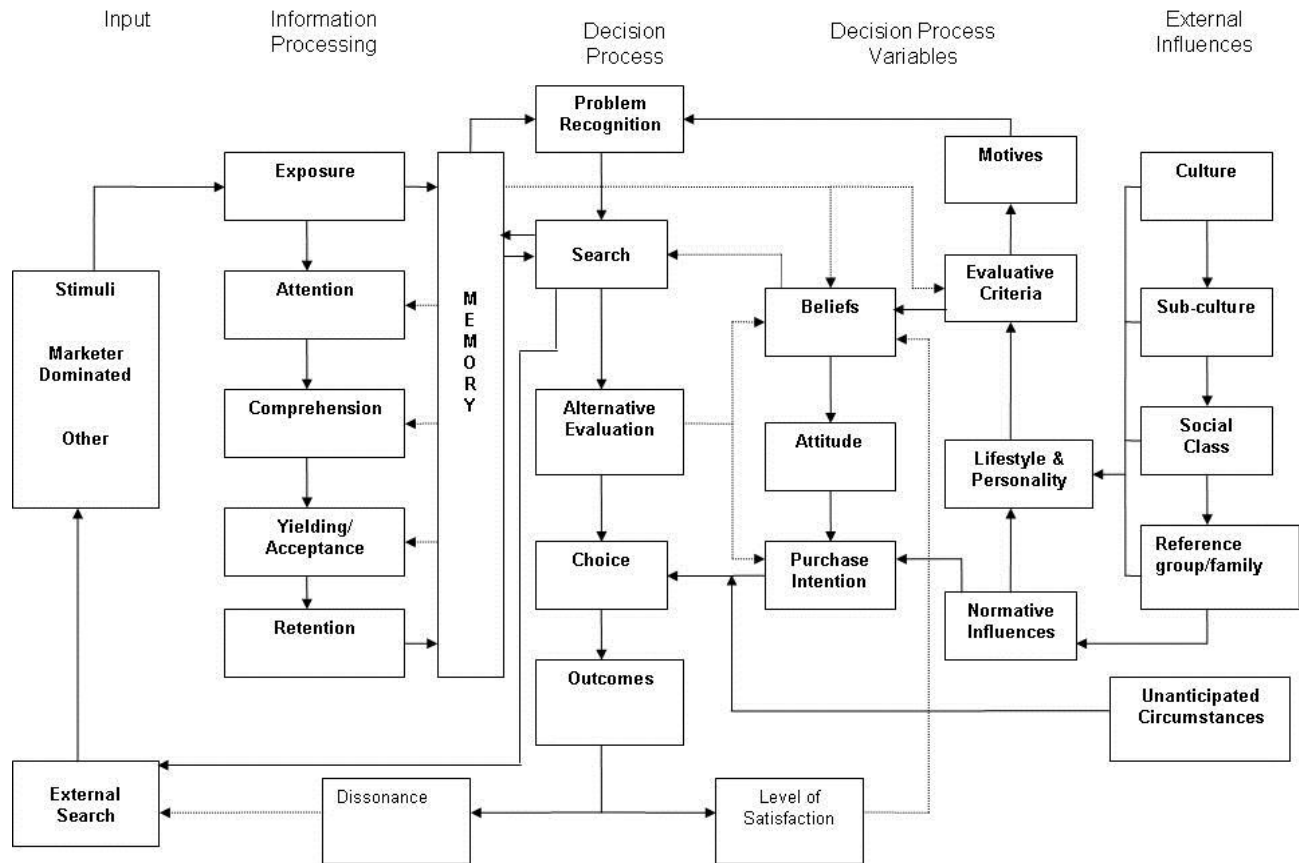
IMPLEMENTATION

We expect AMA members to be courageous and proactive in leading and/or aiding their organizations in the fulfillment of the explicit and implicit promises made to those stakeholders. We recognize that every industry sector and marketing sub-discipline (e.g., marketing research, e-commerce, Internet selling, direct marketing, and advertising) has its own specific ethical issues that require policies and commentary. An array of such codes can be accessed through links on the AMA Web site. Consistent with the principle of subsidiarity (solving issues at the level where the expertise resides), we encourage all such groups to develop and/or refine their industry and discipline-specific codes of ethics to supplement these guiding ethical norms and values.

Chapter 5: Understanding Consumer Behavior

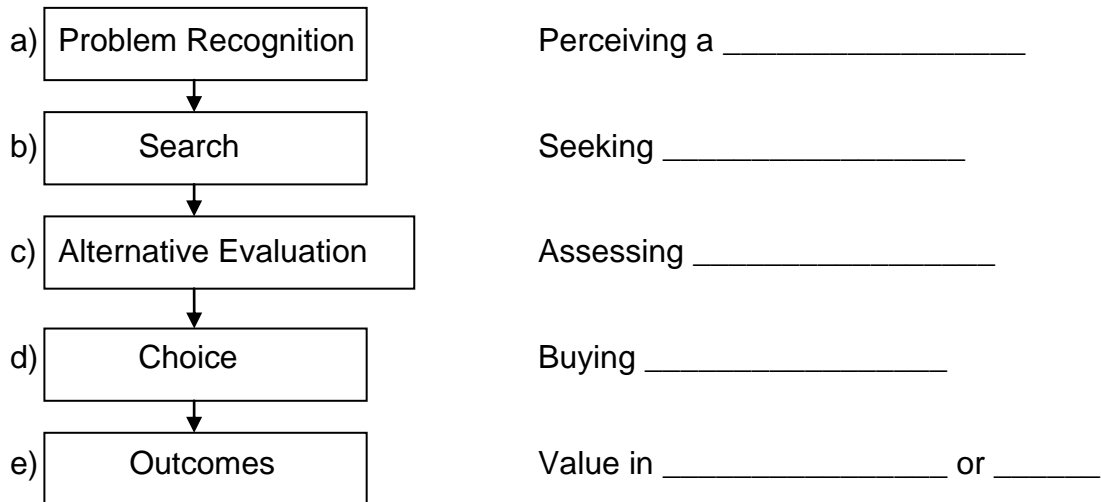
- I) Video: Michele Skinn, on the importance of understanding consumers' motivations
- a) Learning the motivation is _____
 - b) Understand WHY the consumer would want to _____
 - c) or your _____
 - d) Understand their motivation and then market to _____

II) A Model of Consumer Behavior, Adapted from Engle, Kollat, and Blackwell



Comments:

III) The Purchase Decision Process Consists of Five Stages



IV) Purchase Decision Process Stages – Problem Recognition

- a) A perception that there is a _____ between the _____ situation and the _____ situation.
- b) Influenced by:
 - i) Internal needs and _____, and by
 - ii) _____, which can activate Problem Recognition through marketing communications which highlight
 - (1) the limitations of _____, or
 - (2) limitations of _____

EXAMPLE:

V) Purchase Decision Process Stages – Information Search

- a) First, we search _____
 - i) What types of things do we recall?

- b) Then, we may do an _____, including:

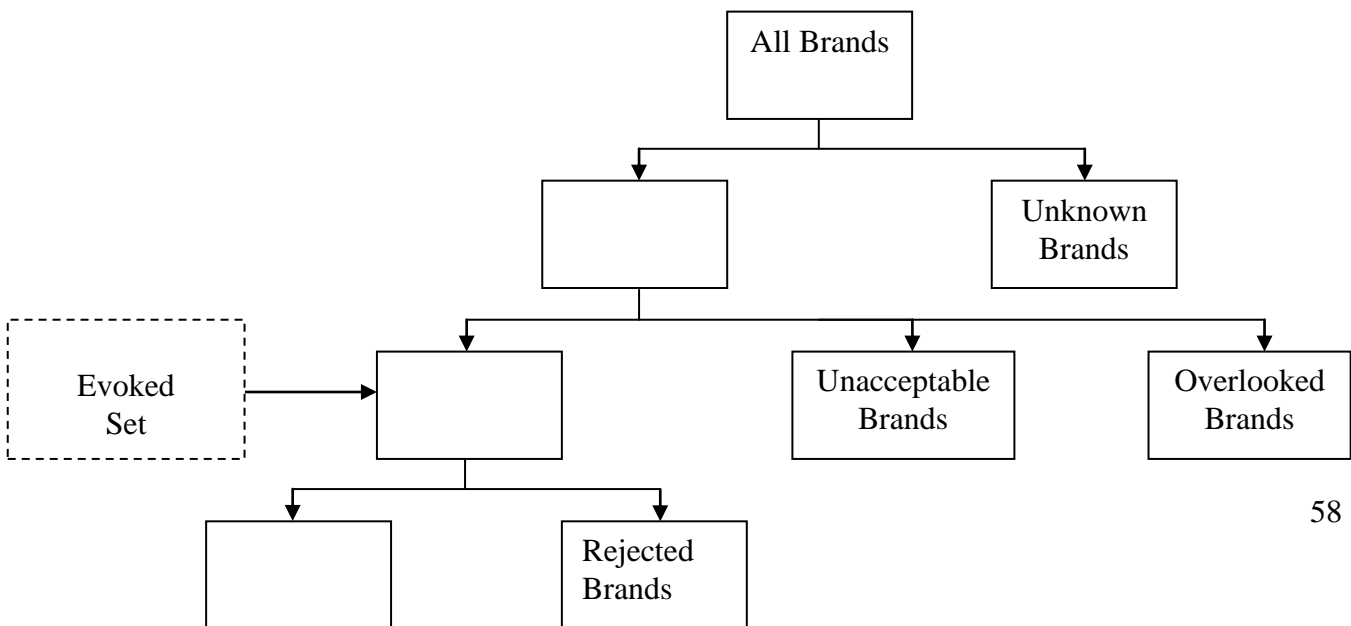
- i)
- ii)
- iii)

VI) Purchase Decision Process Stages – Alternative Evaluation

- a) HOW will the consumer decide _____
- b) _____ are the Factors that represent the brand’s characteristics (as perceived by the consumer). They are used to compare the possible brand choices.
- c) Marketers attempt to _____

Video Example: Windows vs. iPad commercial

- d) Consumers use their _____ to compare the alternatives in their CONSIDERATION SET (also called the _____)
- e) Purchase Decision Process Stages – Alternative Evaluation – Understanding the CONSIDERATION SET of brands
 - i) Consumers’ information search should result in a _____
 - ii) Brands that consumers actually CONSIDER before making a purchase decision are known as _____ or _____ (_____)



VII) Purchase Decision Process Stages – Alternative Evaluation – Belief, Attitudes, and Purchase Intention

- a) As they evaluate the brand choices, consumers form _____ about the brands, and _____ or _____ attitudes.
- b) The result is an _____ to make a purchase including which Brand to buy, where to buy, when to buy, how to pay, etc.

VIII) Purchase Decision Process Stages – Post-Purchase Behavior

- a) Consumers make the purchase (choice) based on their evaluations and their purchase intentions....and then they
- b) Consumers' Level of Satisfaction is based on their _____ and their _____
 - i) If Perceived Performance is BELOW Expectations then consumers are _____
 - ii) If Perceived Performance EQUALS Expectations then consumers are _____
 - iii) If Perceived Performance EXCEEDS Expectations then consumers are _____
 - iv) SO, Marketers should promise what _____
 - v) Some marketers will _____
- c) _____ is the feeling of anxiety consumers often experience when they must choose between attractive alternatives
 - i) It can occur REGARDLESS of the _____

- d) Marketers help MINIMIZE dissonance by:
- i) Reassuring consumers they made the right choice and minimizing product misuse through _____

EXAMPLE:

- ii) Offering ways for _____
 - iii) Being RESPONSIVE to _____
- IX) Consumers' Decision Making is Influenced by how INVOLVED they are with the decision (the following details are from the **chart** shown in the lecture):
- a) When consumers' involvement is _____, they engaged in Routine decision making.
 - i) Typically, such decisions take a _____ time to make
 - ii) The cost of the product is usually _____
 - iii) Consumers will only search _____
 - iv) And they consider _____ brand or alternative
 - b) When consumers' involvement is MODERATE, they engage in _____ decision making.
 - i) Typically, such decisions take a _____ time to make
 - ii) The cost of the product is usually _____
 - iii) Consumers will search mostly _____
 - iv) And they consider _____ brands or alternatives
 - c) When consumers' involvement is HIGH, they engage in _____ decision making.
 - i) Typically, such decisions take a _____ time to make
 - ii) The cost of the product is usually _____
 - iii) Consumers will search _____
 - iv) And they consider _____ brands or alternatives
 - d) Examples (from the chart):

X) Psychological Influences on Consumers' Purchase Decisions

- a) Motivation – the energizing force that stimulates behavior to satisfy a need
- b) Personality–A person's tendency to respond in a consistent way to situations
- c) Perception– the processes by which people select, organize, and interpret information
- d) Learning–behaviors resulting from repeated experiences and from reasoning
- e) Values, Beliefs, and Attitudes
- f) Lifestyle–A person's "mode of living"

XI) Psychological Influences Consumer Decision Making – Motivation

- Link to our model of Consumer Behavior
- a) Maslow's Hierarch of Needs (see Figure 5-5, text page 130)
 - i) Physiological Needs: Food, water, oxygen

Ad Example:

- ii) Safety Needs: Freedom from physical harm; financial security

Ad Example:

- iii) Social Needs: Friendship, belonging, love

Ad Example:

- iv) Personal Needs: Status, respect, prestige

Ad Example:

- v) Self-actualization needs: Self-fulfillment

Ad Example:

XII) Psychological Influences Consumer Decision Making – Personality

- a) Personality is a person's _____ that influence their behaviors
 - i) If a person is confident, dependent, fearful, or sexual in their everyday life, these same traits likely will influence them in their style of _____

XIII) Psychological Influences Consumer Decision Making – Perception

- a) _____ is the process of receiving, organizing, and giving meaning to stimuli detected by one of our five senses.
- b) However, not everyone gets the same meaning from the same stimuli due, in part, to:
 - i) Selective Perception
 - ii) Selective Exposure
 - iii) Selective Comprehension
 - iv) Selective Retention
 - v) Subliminal Perception???
- c) Selective Perception
 - i) Is the process which we use to determine “_____” to perceive.
 - ii) Due to this selective process, we may omit items, add, or even change what we see, feel, or hear.
 - iii) Selective perception doesn’t happen all at once but occurs in various stages including exposure, comprehension, and retention
 - Male vs. Female – Differences in Perception video example:
- d) Selective Exposure
 - i) From the variety of communication available to them, people _____
 - ii) They tend to view communication (e.g., ads) that reaffirm preexisting ideas and attitudes, thereby bolstering their image of themselves and what they "know".
 - iii) Marketers need to find ways to “_____” barriers to perception!
 - Example:
 - iv) People rarely read Web pages, instead they _____
- e) Selective Comprehension
 - i) This involves interpreting discrepant information so that it is _____ with beliefs and attitudes.

(1) It was once reported in a study that _____ of non-smokers believed the link between smoking and lung cancer was proven;

(2) yet only _____ of heavy smokers accepted the link!!

- Example

f) Selective Retention

- People remember more accurately messages that are favorable to their _____ than messages that are unfavorable.
- People remember the good things and forget the bad. Selective retention thus reinforces one's _____.
- Marketers need to find ways to help consumers to _____ their message.

g) Subliminal Perception???

h) SO, consumers perceive marketing stimuli _____ because each individual is unique in the combination of his or her needs, attitudes, experiences, and personal characteristics.

- AND, identical advertisements, packages, or products may be perceived _____ by consumers

XIV) Psychological Influences Consumer Decision Making – Perceived Risk

a) Perceived risk involves the perceptions of the riskiness of the purchase. There are several types that marketers must understand, including:

- _____ Risk
- _____ Risk
- _____ Risk
- _____ Risk

b) Marketers must understand their consumers' perceptions of risk and address them

- Video Example – Reducing Financial Risk

XV) Psychological Influences Consumer Decision Making – Learning

a) Learning involves changes in behavior resulting from observation and experience.

i) _____ Conditioning
_____ and his _____

ii) _____ Conditioning
_____ and his _____

iii) _____ Learning

iv) _____ Learning

b) Brand Loyalty

i) Consumers can _____ to _____ a brand over all others....this is rather important to marketers!

XVI) Psychological Influences Consumer Decision Making – Attitudes and Beliefs

a) Based on what they have learned from processing information, evaluating alternatives, making a choice, and evaluating the choice consumers

b) form _____ about the stores, products, decision processes, and

c) form attitudes (_____) about these

d) When attitudes are POSITIVE they _____

e) When attitudes don't exist (e.g., for a new or for an unknown brand) or when they are NEGATIVE they _____

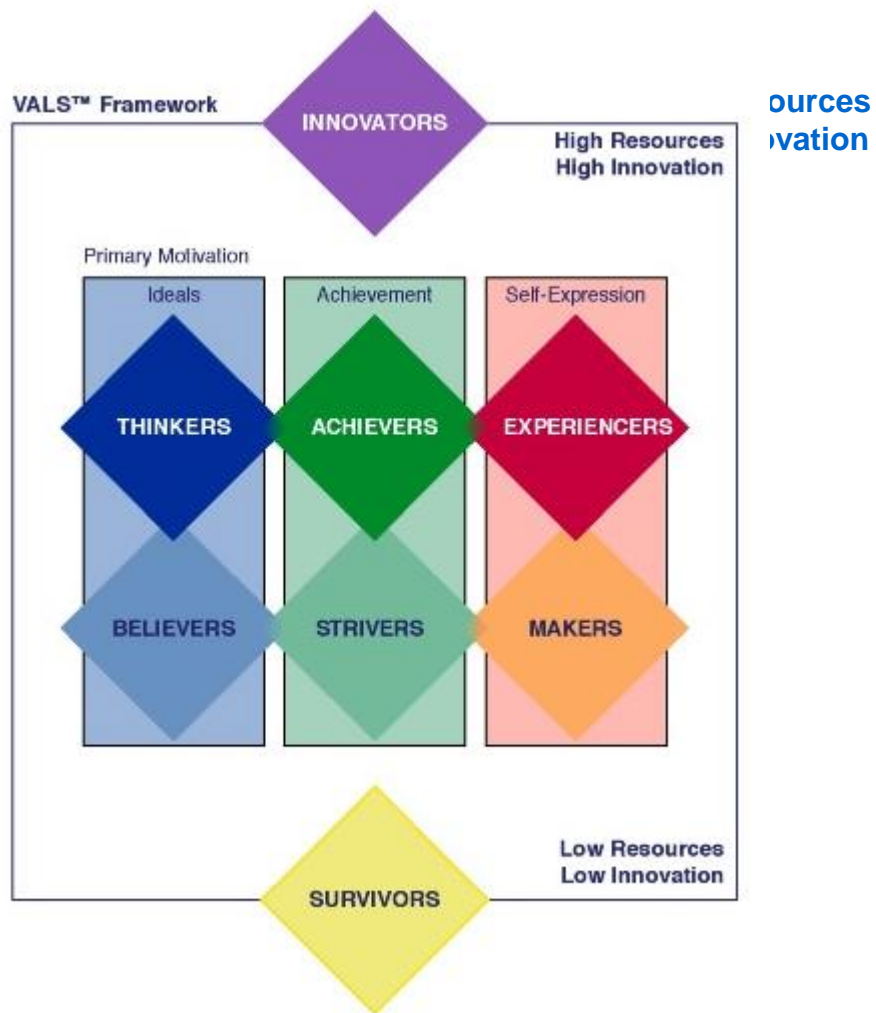
f) Marketers attempt to Change Unfavorable Attitudes (using _____) by:

- i) Changing Beliefs About a Brand's _____
 - ii) Changing the Consumer's Perception of the Importance of the Brand's _____
 - iii) Adding New Product _____
- Examples:

XVII) Psychological Influences Consumer Decision Making – Lifestyles

- a) _____ -- Individual patterns of living as reflected by interests, opinions, spending habits, and activities.
- b) _____ -- A technique of measuring lifestyle and VALS

<http://www.strategicbusinessinsights.com/vals/ustypes.shtml>



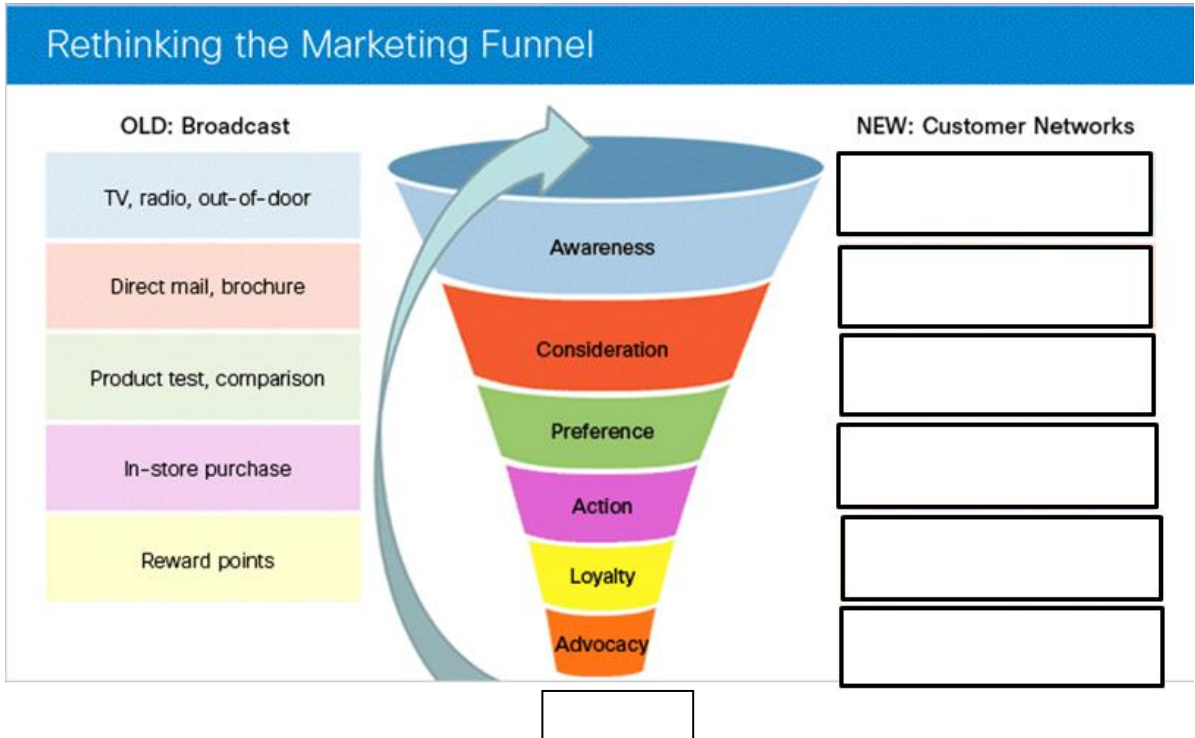
XVIII) Influences on Consumers' Purchase Decisions – Sociocultural

a) Sociocultural Influences (link to our model of Consumer Behavior)

- i) Personal Influence
- ii) Reference Groups
- iii) Family
- iv) Social Class
- v) Subculture
- vi) Culture

b) Personal Influence

- i) Product Trial, Brand Evaluation, Purchase Decisions, and Satisfaction can be influenced by the attitudes of “others.”
 - (1) Opinion Leaders
 - (2) Word of Mouth
 - (a) Buzz



- The IMPACT of WOM “buzz” -- Philips Sonicare Essence Example:
 - i) Sent a \$70 Sonicare Essence toothbrush to _____

 - ii) The 30,000 agents each told _____
 - iii) THOSE _____ people told an average of _____ more people, for a total of _____ people
 - iv) Representing a _____
- Example: You Lookin’ at Me?

c) Family Influence

i) Consumer Socialization

(1) The process by which people acquire the skills, knowledge, and attitudes necessary to function as consumers

(2) The _____ is a key factor in consumer socialization of children

(a) Marketers are aware of this and create commercials to target this family influence

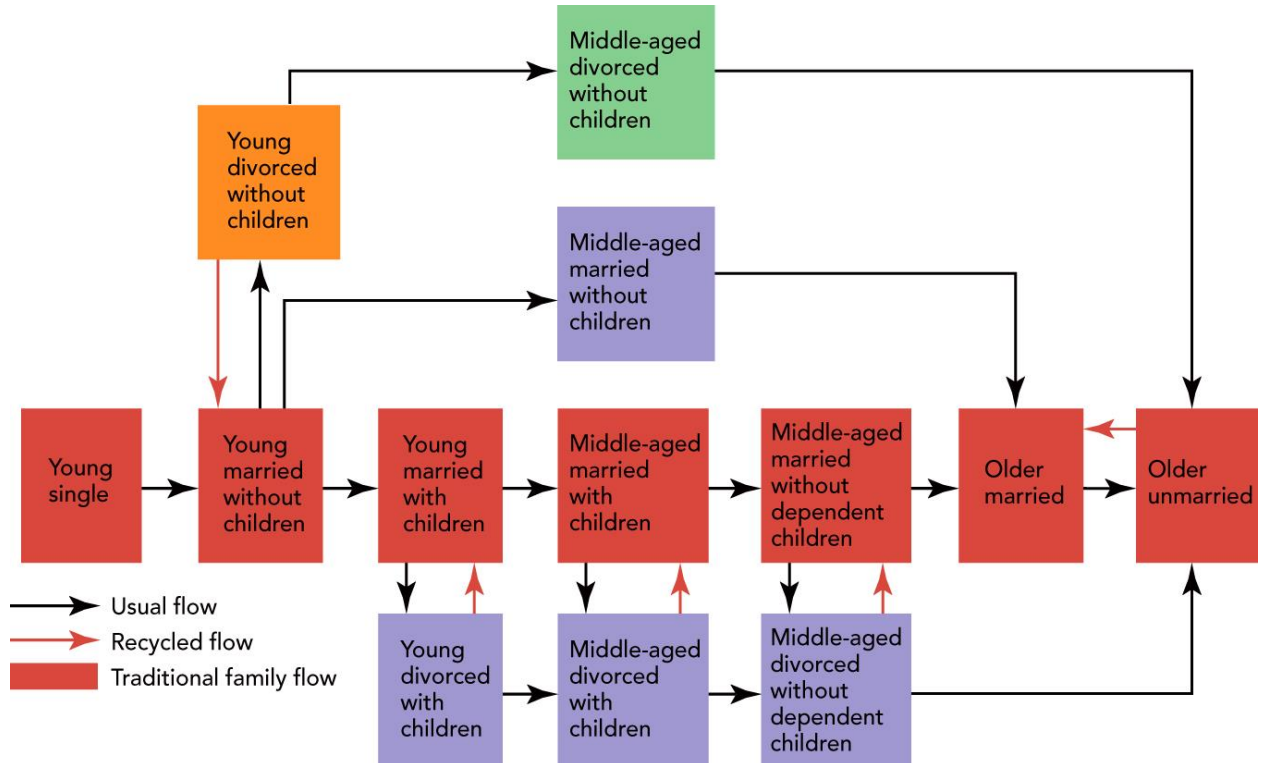
- Ad Example:

ii) Family Decision Making

(1) Family can BE _____

(2) Often involves _____ and _____

iii) Family Life Cycle (see Figure 5-6 from the textbook page 129).



(1) Roles in Family Decision Making

(a) _____

(b) _____

(c) _____

(d) _____

(e) _____

iv) Marketers must know _____ plays these roles for their products and whether/how to reach them!

d) Social Class

(1) Social Class

(2) Upper Class

(3) Middle Class

(4) Worker/Lower Class

i) A very strong influence on _____, attitudes, activities, social interactions, AND your consumer behavior (e.g., where you shop, what you buy, how you save/invest)

e) Subculture -- the subgroups within the larger, or national, culture with unique values, ideas, and attitudes

i) Hispanic

ii) African American

iii) Asian American

iv) And more

f) Culture

- Video example: American vs. Others--“Similar language, but what does that MEAN?”

XIX) Other influences on Consumers' Purchase Decisions

a) Situational Influences = five aspects of the purchase situation that impacts the consumer:

i) Purchase task

- ii) Social Surroundings
- iii) Physical Surroundings
- iv) Time (temporal) Effects
- v) Antecedent (pre-existing) States

XX) IN CONCLUSION

Understanding what influences consumers to buy or not buy your product is

- a) EXTREMELY _____, and
- b) EXTREMELY _____!

Chapter 6: Understanding Organizations as Customers

- I) The Nature and Size of Organizational Markets
- a) _____ involves the marketing of goods and services to companies, governments, or not-for-profit organizations for use in the creation of goods and services that they can produce and market to others.
 - b) Business Markets include _____ that buy goods and services to:
 - i) Make _____ goods and services (e.g., _____)
 - ii) _____ that product to others (e.g., wholesalers and distributors)
 - iii) Conduct the organization's _____
 - iv) In the past, business markets were called _____.
 - c) Six Components of the Business Market
 - i) Agriculture – The Challenge: _____
 - ii) Resellers who buy and sell products in essentially the same form. However, they create various _____ for other businesses, including:
 - (1) time
 - (2) place
 - (3) Information, and
 - (4) Possession
 - iii) Services, Financial institutions, Ad agencies, trucking firms, warehouses, tax services, etc! which are GROWING rapidly
 - iv) The Government
 - (1) Unique:
 - v) International Trade

<http://www.census.gov/foreign-trade/statistics/highlights/top/top1312yr.html>

Total Trade – Jan. to Dec. -- Data are goods only, in billions of dollars.			
Total, All Countries	Exports (Year-to-Date)	Imports (Year-to-Date)	Total Trade (Year-to-Date)
Jan-Dec 2015	1,510.3	2,272.9	3,783.2
Jan-Dec 2014	1,623.3	2,345.8	3,969.1
Jan-Dec 2013	1,578.9	2,267.6	3,846.4

Total Trade (Goods) Year-to-Date
December 2015

Rank	Country	Exports (Year-to-Date)	Imports (Year-to-Date)	Total Trade (Year-to-Date)	Percent of Total Trade
---	Total, All Countries	1,504.9	2,241.1	3,746.0	100.0%
---	Total, Top 15 Countries	1,067.7	1,728.7	2,796.4	74.7%
1	China	116.2	481.9	598.1	16.0%
2	Canada	280.3	295.2	575.5	15.4%
3	Mexico	236.4	294.7	531.1	14.2%
4	Japan	62.5	131.1	193.6	5.2%
5	Germany	49.9	124.1	174.1	4.6%

Total Trade (Goods) Year-to-Date
December 2014

Rank	Country	Exports	Imports	Total Trade	Percent of Total Trade
---	Total, All Countries	1,623.30	2,345.80	3,969.10	100.00%
---	Total, Top 15 Countries	1,127.40	1,781.60	2,909.10	73.30%
1	Canada	312	346.1	658.1	16.60%
2	China	124	466.7	590.7	14.90%
3	Mexico	240.3	294.2	534.5	13.50%
4	Japan	67	133.9	200.9	5.10%
5	Germany	49.4	123.2	172.6	4.30%

Total Trade (Goods) Year-to-Date
December 2013

Rank	Country	Exports	Imports	Total Trade	Percent of Total Trade
---	Total, All Countries	1,578.90	2,267.60	3,846.40	100.00%
---	Total, Top 15 Countries	1,078.70	1,711.60	2,790.30	72.50%
1	Canada	300.3	332.1	632.4	16.40%
2	China	122	440.4	562.4	14.60%
3	Mexico	226.2	280.5	506.6	13.20%
4	Japan	65.1	138.5	203.7	5.30%
5	Germany	47.4	114.6	162.1	4.20%

<http://www.census.gov/foreign-trade/statistics/highlights/top/top1312yr.html>

- vi) “Non-business” or Not-for-profit Organizations
- d) Video: Muller on the Industries Timken serves
 - i) Growth for Timken
 - ii) Focused on _____
 - 1. Steel
 - 2. Power Generation
 - 3. Cement Production
 - 4. Aggregate
 - 5. Wind Energy
 - iii) Where they can deliver value...and which are growing. For example:
 - (1) Iron ore
 - (2) Coal
 - (3) Oil
 - iv) Compared to _____, which may NOT be a good industry for them in the future.
- II) Type and Number of Organization Establishments in the U.S.
 - a) Industrial (business) markets -- Total Number = _____
 - b) Reseller markets – Total Number = 1,554,797
 - c) Government markets – Total Number = 89,527

--and Timken’s focus...

III) Measuring Domestic And Global Industrial, Reseller, And Government Markets

North American Industry Classification System (NAICS) -- The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

<http://www.census.gov/eos/www/naics/>

a) North American Product Classification System (NAPCS)

A joint multi-phase initiative to develop a comprehensive demand-oriented product classification from the statistical agencies of Canada, Mexico, and the United States. Work to date has focused on the products produced by service industries in 12 NAICS sectors 48-49 through 81. With that work nearing completion, this web page provides an overview of and progress report on the NAPCS initiative and presents the final versions of the product lists developed so far for the service industries included in those 12 sectors.

<http://www.census.gov/eos/www/napcs/index.html>

IV) Characteristics Of Organizational Buying

a) Demand Characteristics

- i) **Derived Demand** -- the demand for industrial products and services is driven by, or "derived from," demand for consumer products and services.

Example:

(1) The Implications of Derived Demand:

- (a) Business Marketers must understand _____

- (b) Often they need to find ways to _____

Intel Examples:

- ii) **Elasticity of Demand** [recall your Microecon course!]
 - (1) _____ The total demand for all of the producers of the product responds very little to changes in its prices. Demand does not change much if price changes.
 - (a) Occurs when Cost is a small percent of the finished product, and
 - (b) When there are no close substitutes

Example

- (2) Demand is more elastic when:
- (a) A Price Change occurs in a _____
 - (b) When demand is viewed from a _____
 - (c) If the cost of the business product is a SIGNIFICANT portion of the cost of the finished good

- b) Size of the Order or Purchase and the Number of Buying Units
- i) Number of Business users =
 - ii) Number of Ultimate Consumers =
 - iii) However, while there are a smaller number of organizations they are _____

iv) Plus, they are _____

--Goodyear

--Regional Concentration

- c) Organizational Buying Objectives
- i) Businesses buy from other businesses to help them achieve their objectives, such as:
 - (1) Reduce _____
 - (2) Increase _____
 - (3) _____

d) Organizational Buying Criteria (like Consumer's Evaluative Criteria)

- i) In deciding among suppliers, buyers must consider a variety of factors, such as:
 - (1) Price
 - (2) Delivery Schedules
 - (3) Past Performance
 - (4) Production Facilities/Capacity
 - (5) Warranty/Claim Policies
 - (6) Technical Capability
 - (7) Quality Specifications

(a) **ISO 9000** – standards for registration and certification of a manufacturer’s quality management and assurance system based on an on-site audit of practices and procedures developed by the International Standards Organization (ISO).

ii) Why is all of this SO important in B2B Buying?

(1) Firms MUST buy the _____, at the _____, and at the _____, because:

(a) Companies are making less and buying more from suppliers

(b) Firms cannot tolerate _____

(c) SO, firms need to work with fewer suppliers and develop long term relationships with them

(i) Work together to develop new products, share information on inventories, production and costs.

e) Buyer-Seller Relationships and Supply Partnerships

i) **Supplier development** is the deliberate effort by organizational **buyers** to build relationships that shape **suppliers’** products, services, and capabilities to fit a buyer’s needs and those of its customers.

(1)

(2)

f) The _____ -- consists of a group of people in an organization who participate in the buying process and share common goals, risks, and knowledge important to a purchase decision.

i) It is a “Cross-Functional” Group

ii) People in the Buying Center

iii) Roles in the Buying Center

(1) Gatekeepers --

(2) Influencers --

(3) Users --

(4) Buyers --

(5) Deciders --

g) Buy Classes represent the “type” of buying situation (see Text Figure 6-3):

i) _____ Rebuy

- ii) _____ Rebuy
- iii) _____ Buy
- iv) See Figure 6-4, text page 164, for the ways in which the buying situation affects the buying center

- v) Stages in the Organizational Purchase Decision Process (See Figure 6-3, text page 162),

- (1) Problem Recognition
- (2) Information Search
- (3) Alternative Evaluation
- (4) Purchase Decision
- (5) Postpurchase Behavior

- vi) The Hershey's Example:

- (1) Problem Recognition
- (2) Information Search
- (3) Evaluation of Alternatives
- (4) Purchase Decision
- (5) Post-purchase evaluation

V) ONLINE BUYING IN ORGANIZATIONAL MARKETS

- i) Prominence of Online Buying in Organizational Markets

- ii) E-marketplaces

- (1) Online Auctions in Organizational Markets

- a) Traditional Auctions

- A Seller puts an item up for sale
- Various Buyers _____.
- As bidders increase, there is _____ on price.
- The Auction ends when _____

- b) Reverse Auction

- A Buyer communicates a need for a product or service
- Various _____ bid in competition
- As the number of suppliers increase there is _____ on price
- The Auction ends when _____

Chapter 7: Understanding and Reaching Global Consumers and Markets

I. The Nature and Size of Organizational Markets

a) Why International Trade?

i) To get access to materials, products, and services which are _____

ii) To get access to markets which _____

iii) Because of _____

(1) Some countries have unique national or human resources that give them _____, internationally

iv) Market Saturation _____

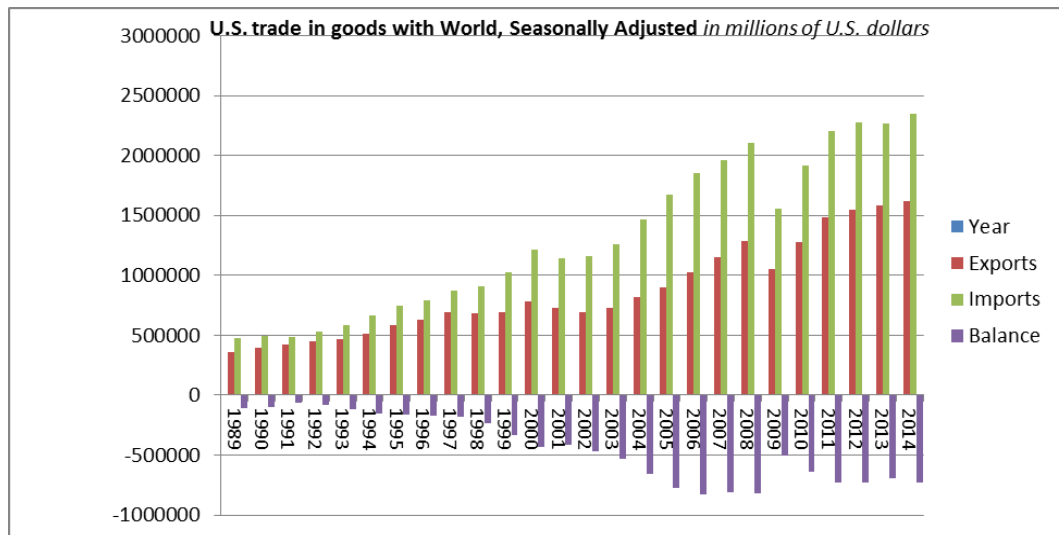
v) Potential Demand

vi) Customer Expectations

b) What does it mean to US?

1. **Balance of Trade** -- The difference between the monetary value of a nation's exports and imports
US Balance of Trade

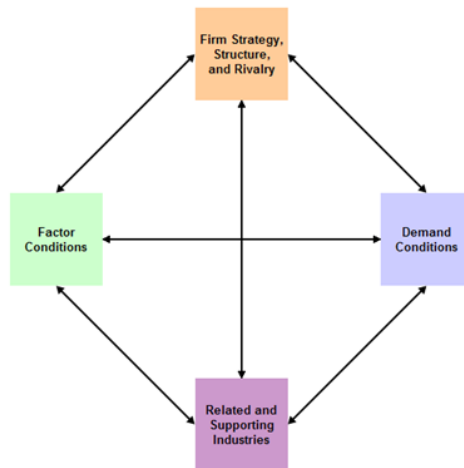
2. **US Balance of Trade (US Census Bureau – Foreign Trade Statistics)**
(<http://www.census.gov/foreign-trade/balance/c0004.html#2015>)



- i) Impact of the DHL (Germany) decision for Ohio
- ii) INVITING FIRMS TO COME TO OHIO (Desire to HAVE foreign investment locally)

II. Dynamics of World Trade – The Competitive Advantage of Nations

- a) Porter’s “Diamond” -- WHY do some industries and firms become world leaders and others lose ground or fail?



i. Factor Conditions

- 1. Natural Resources
- 2. Education and skill levels
- 3. Wage Rates

e) Examples:

- 4. AND, the question for OUR FIRM – Can we _____

ii. Demand Conditions

- 1. Size of Market
- 2. Sophistication of Consumers
- 3. Media Exposure of Products

Example

4. AND, the question for OUR FIRM – Is there _____

 - iii. Related and Supporting Industries
 1. Existence of Supplier Clusters
 - a) Examples

 2. AND, the question for OUR FIRM – Can we _____

 - iv. Company Strategy, Structure, and Rivalry
 1. Number of Companies in an Industry
 2. Intensity of Competition
 3. Public or Private Ownership
 - a. Example

 4. AND, the question for OUR FIRM --Can we _____

- B. CONCLUSION:**
Firms that succeed in global markets have succeeded first in intense domestic competition through:
- i.
 - ii.
 - iii.

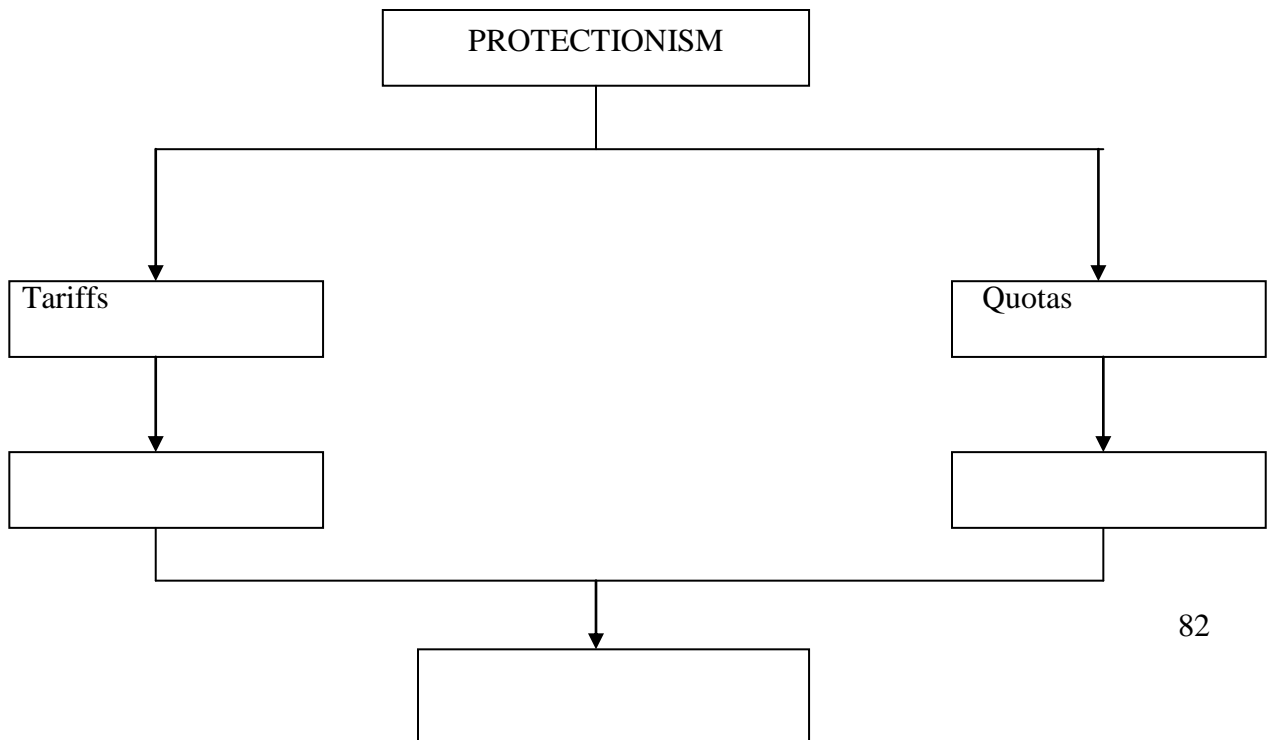
III. Marketing In A Borderless Economic World

A. Trend 1—Decline of Economic Protectionism

- i. Recently we had an _____
- ii. Should Congress create more Protectionism?
 1. Some argue that the benefits of today's free trade systems go unfairly and primarily to low-wage countries, which take jobs away from Americans.
 2. These arguments are not supported by the facts.
- iii. Reagan said:
 1. "A creative, competitive America is the answer to a changing world, not trade wars that would close doors, create greater barriers, and destroy millions of jobs. We should always remember: Protectionism is destructionism."

- WTO report "No acceleration of new restrictions"
http://www.wto.org/english/news_e/news14_e/ddgra_10jul14_e.htm.
- U.S. Slaps High Tariffs on Chinese Solar Panels

- iv. America's economy, over the past few decades, has proved that _____ flexibility makes the economic pie much bigger and that the benefits can be widely shared.
- v. Over the past 10 years, open trade has boosted job growth by more than 13 percent and has helped to raise U.S. GDP by nearly _____.
- vi. Protectionism in World Trade (see textbook Figure 7-2)



vii. General Agreement on Tariffs and Trade (GATT)

1. A treaty, NOT an _____
2. Focus:
3. NO _____

viii. World Trade Organization (WTO) Goals:

1. Trade Without _____
(Exceptions: e.g., Regional Trade Agreements)
2. Predictable and Growing Access to _____
(Example: binding tariffs)
3. Promoting _____
4. Encouraging _____ and Economic Reform
(Over 3/4 of its members are developing countries)
5. Patrick Low – Chief Economist WTO (retired 2013)
 - a. The WTO is an International _____
 - b. [Including] _____ nations.
 - c. The WTO needs to get _____ and _____
from all nations.
 - d. Regional Trade Agreements have exploded and these are a
challenge to trade without _____
 - e. The WTO agreements create an environment of
_____, continuity, and predictability.
 - f. They seek to create _____ and _____
in trade.
6. An aside...how many countries ARE there in the world today?

B. Trend 2 – A Rise of Economic Integration

i. European Union

1. Consisting of _____ countries with more than _____ consumers

ii. North American Free Trade Agreement (NAFTA), Canada, U.S., Mexico

1. Consisting of _____

iii. Asian Free Trade Agreements

1. South Asian Free Trade Area- a framework for the creation of a free trade zone covering 1.4 billion people in India, Pakistan, Nepal, Sri Lanka, Bangladesh, Bhutan and the Maldives.

2. East Asian Free Trade Agreement on Services

iv. Trans-Pacific Partnership (maybe; see <https://ustr.gov/tpp/>)

1. In October 2016, the United States and 11 other Pacific Rim countries wrapped up a sweeping trade agreement.
2. It will eliminate obstacles such as tariffs and set standards for doing business in 40% of the global economy.
3. The final deal still faces a yes-or-no vote from Congress in 2016.

(See <http://www.forbes.com/sites/jplehmann/2015/04/09/tpp-is-a-mistake/> for an alternative view)

C. TREND 3 — Global Competition—Who are we up against? How might we compete?

- i. _____ -- agreements among two or more independent firms to cooperate for the purpose of achieving common goals.

1. Example

- ii. _____ – International marketing done in the same way as domestic marketing

1. Example

iii. _____ – Varies its
Marketing Strategy for each country

1. Example

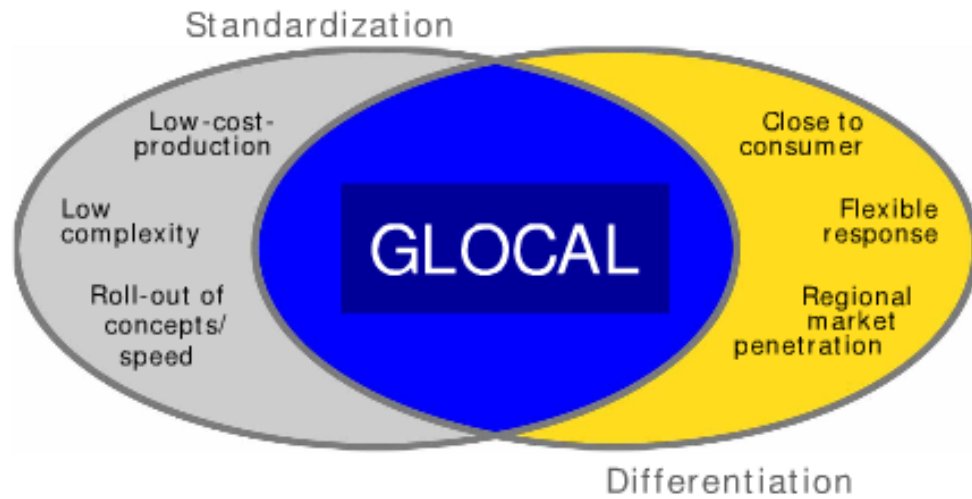
iv. _____ – Use a “Global
Marketing Strategy” to keep the mix the same where there are
similarities and CHANGE the mix when cultures differ.

1. A goal of _____ is to create and maintain a
balanced portfolio of global AND local brands, to:
- Take advantages of _____ where
possible, by sharing R&D, technical features, manufacturing,
etc. across brands
 - Grow _____ where possible
 - Obtain _____ though _____
_____ locally, when necessary

Henkel Example

Branding Strategies

Honkel
A Good Idea is Worth



Global Marketing and G.M. (Video)

- a) _____ to play a bigger role in G.M.'s future
 - b) It is G.M.'s _____
 - c) _____ new cars in the next 2 year.
 - d)
 - e) In 2010 GM sold _____ than in the U.S.!!!
- IV. A Global Environmental Scan – What do we need to “know before we go?”
- A. Cultural Diversity
 - i. Social and Cultural Environment
 - 1. Family

2. Customs and Behavior
3. Education
4. Language
5. Impediments to understanding foreign markets:
 - a. _____ -- an unconscious reference to one's own values, experiences and knowledge as a basis for making certain decisions
 - i. Can result in a _____ an open attitude and a cultural sensitivity enabling managers to look carefully at the foreign market and understand the _____ needs there (and not simply transfer the needs of the domestic market)
 - b. Ethnocentrism -- The belief that one's culture is _____
 - c. Examples

ii. Economic Environment

1. _____ – can the country provide communications, transportation, energy, etc.?
2. Level of Economic Development
 - a. A general indicator of the market's attractiveness
 - b. Indicator of the types of products that will be in demand
 - c. Gross National Income (GNI) Per Capita
3. Competition
 - a. The _____ is often overlooked
 - b. You MUST have a _____
4. Political Stability -- when the country is not politically stable, business risks losses!

a. Examples:

Worst Performers (Very High Alert):

1

2

3

4

Best Performers (Sustainable):

175

176

177

V. Global Market Entry Strategies

a. Exporting

i. _____ Exporting

ii. _____ Exporting

b. Licensing

i. _____ Manufacturing

ii. _____ Assembly

iii. Franchising

c. Joint Venture

d. Direct Investment

e. Global Market Entry Strategies

Exporting Directly, or through Import- Export Middlemen	Company Sales Branches	Licensing Foreign Producers	Contract Manufacturing by Foreign Producers	Joint Ventures and Strategic Alliances	Wholly Owned Subsidiaries	Multinational Corporations
--	------------------------------	-----------------------------------	--	--	---------------------------------	-------------------------------



f. Examples

1. Coca Cola (_____)

2. Goodyear Tire & Rubber (_____)

3. Saint-Gobain (_____)

VI. Product Strategies

- A. Product Extension -- No change _____
- B. Product Adaptation (Modification) -- Change the product to match the customers' _____ needs, wants, desires in that country
- C. Product Invention – Create an entirely _____ to satisfy needs, wants, and desires that are not being met by any current product

Video Example: McDonald's Goes to China

VII. Promotion Strategies

- a. Same Promotion Globally
- b. Adapt Promotions to Local Tastes
- c. Create Entirely NEW promotions

VIII. Bringing together Product and Promotion Strategies for Global Marketing

(Figure 7-5, textbook page 195)

		Product Emphasis		
		SAME Product	ADAPT Product	Create NEW Product
Promotion emphasis	Same Promotion as Domestically	Product extension strategy	Product adaptation strategy	Product Invention Strategy
	Adapt Promotion to Foreign Culture	Communication adaptation strategy	DUAL adaption strategy	

IX. Distribution and Pricing

A. Channels Usually Long and Complex

B. Countries May Impose Pricing Constraints

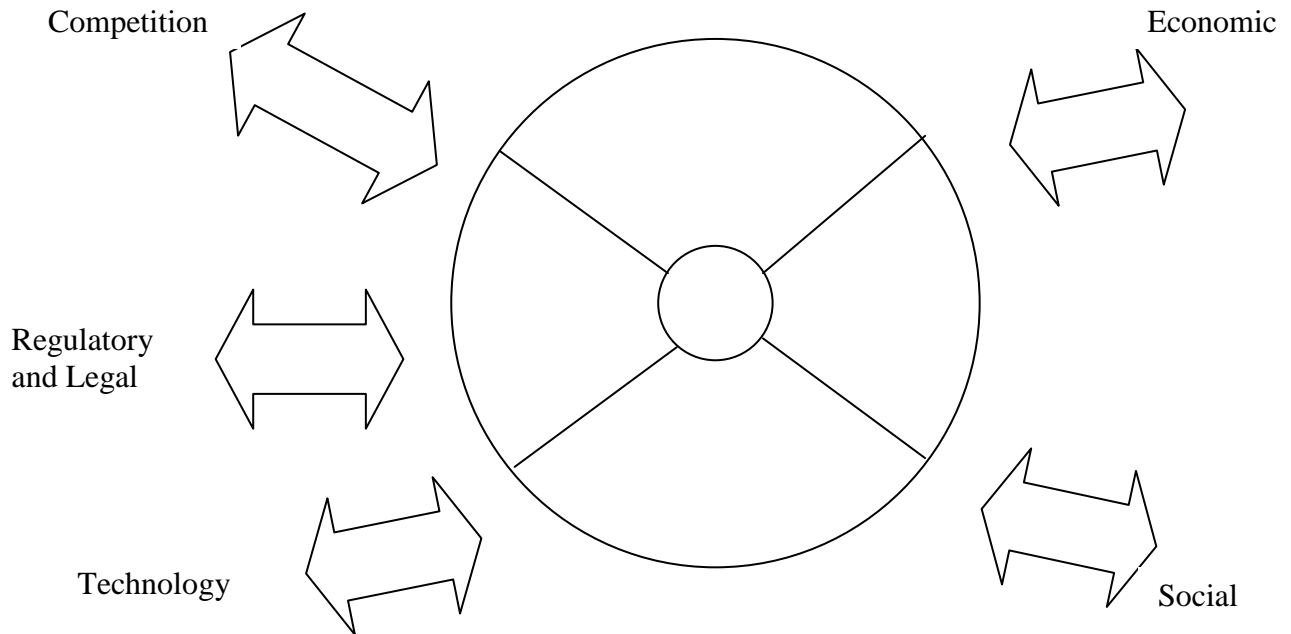
Muller – Understanding Cultural Difference in Pricing

- i. Timken tends to _____ who understand the culture.
- ii. But, in _____ misunderstandings can occur.
- iii. They had _____ than they could supply.
- iv. So, they felt they need to _____ (because of demand and because of increasing cost).
- v. In China, increasing price was seen as “_____.”
But, initially, management did not understand this.
- vi. They needed to _____.

Chapter 8 -- Marketing Research: From Customer Insights to Actions

I. The Role of Marketing Research

a) Important Factors that Marketers NEED information about (CREST):



II. What is Marketing Research?

a) It is the process of defining a marketing problem and opportunity, systematically collecting and analyzing information, and recommending actions.

b) Implications

i) Marketing Research is used for

1. Planning _____

2. In the Implementation _____

3. In their _____

ii) Marketing Researchers are responsible for collecting and interpreting data that supports decision making

III. Marketing Research/Program Failures

- a) New Coke
- b) Crystal Pepsi
- c) Sony Betamax lost to
- d) Sega Dreamcast
- e) Colgate Kitchen Entrees

IV. The Five-step Marketing Research approach for better Actions

a) Step 1: _____

i) Set Objectives

- 1. The specific, measureable goals for the research (and for the decision maker)

ii) Possible Objectives:

- 1. To _____ the issues better (**Exploratory Research**)
- 2. To understand the _____ better (**Descriptive Research**)
- 3. To determine how to _____ an element of interest (**Causal Research**)

b) Step 2: _____

i) Specify Constraints

- 1. Financial, Time

ii) Identify _____ needed for Marketing Actions

- 1. What do we NEED to know to?

iii) Determine _____

- 1. Sampling
 - (a) Probability Sampling (i.e., Random Sampling)

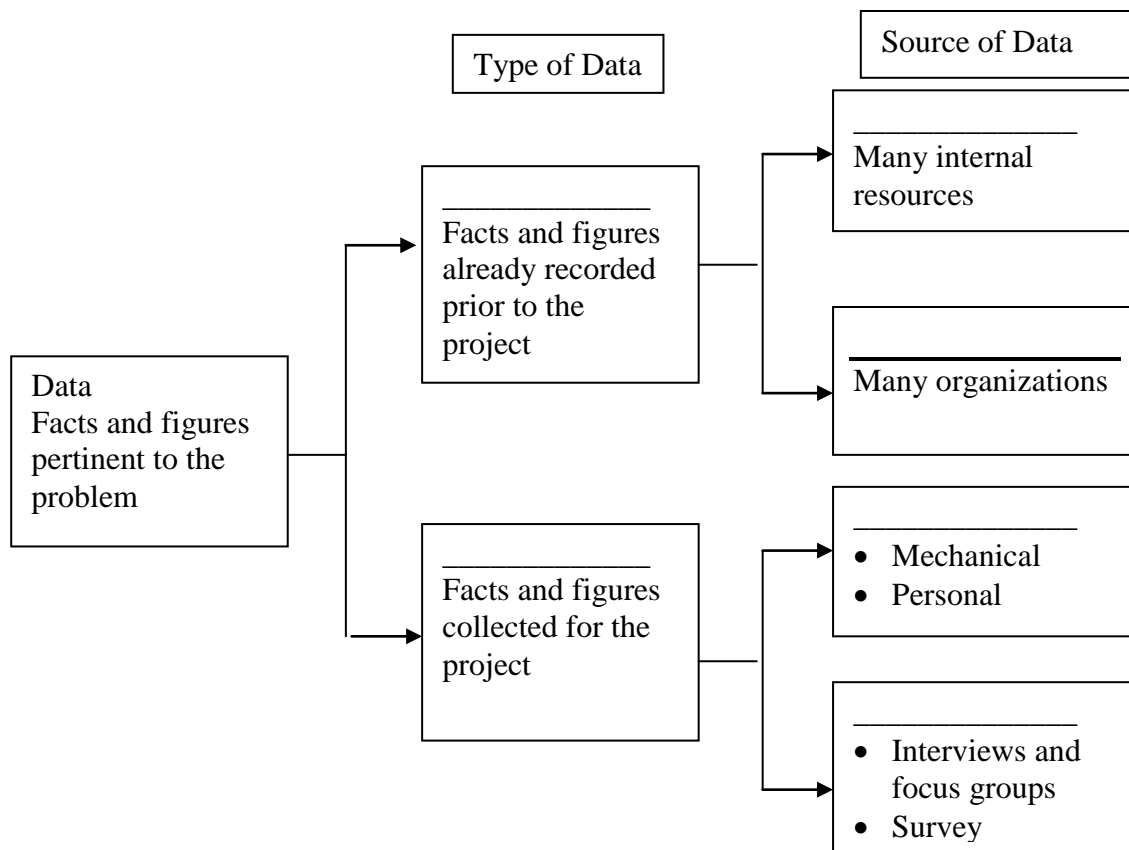
- (b) Nonprobability Sampling
- (c) The difference? The ability to make _____

c) Step 3: Collect Relevant Information

- i) Types of Data
 1. Secondary Data

2. Primary Data

Figure 8-2, Types of Marketing Information (text page, 198)



V. Video: Muller on Marketing Research at Timken

- I. Timken does Marketing Research “both ways” (using internal marketing managers and outside firms)
- II. They use research to understand their _____ and to find _____
- III. Outside firms for really big jobs
- IV. e.g. Wind Energy Market
- V. Faster, Global

VI. Results suggest future role for Timken

VI. Secondary Data

a) Advantages

- i) _____
- ii) Inexpensive
- iii) May provide a “_____” solution
- iv) May point the direction for primary research

b) Disadvantages

- i) _____
- ii) Sample/Definitions/Categories not appropriate
- iii) _____

VII. Primary Data

a) Advantages

- i) Focuses on the specific problem at hand
- ii) Is under control of the current researchers

b) Disadvantages

- i) _____
- ii) _____

VIII. Syndicated Services – A source of Secondary Data

- a) **Syndicated research** is conducted by a market research firm in an area that may be of interest to multiple companies or organizations within a particular industry.

i)

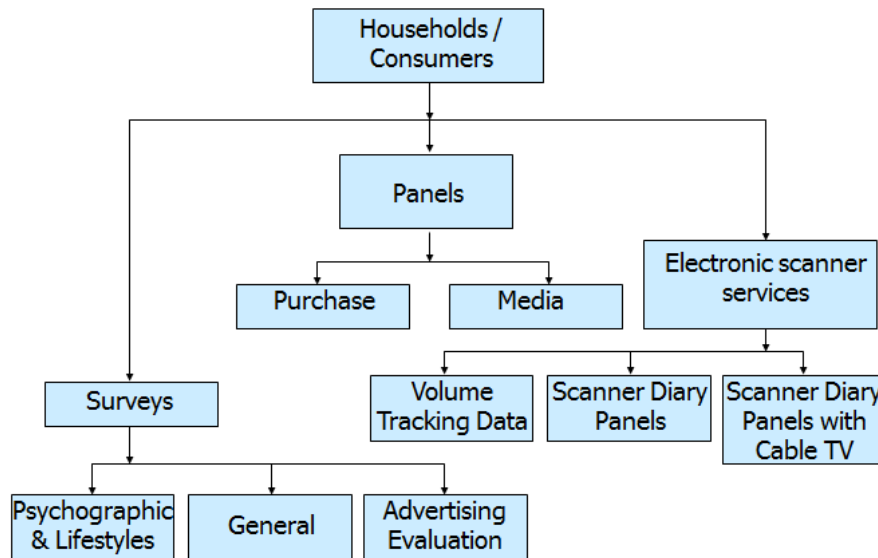
b) Benefits of Syndicated Research

- i) **Cost efficiency:**

- ii) **Overview of the Market**

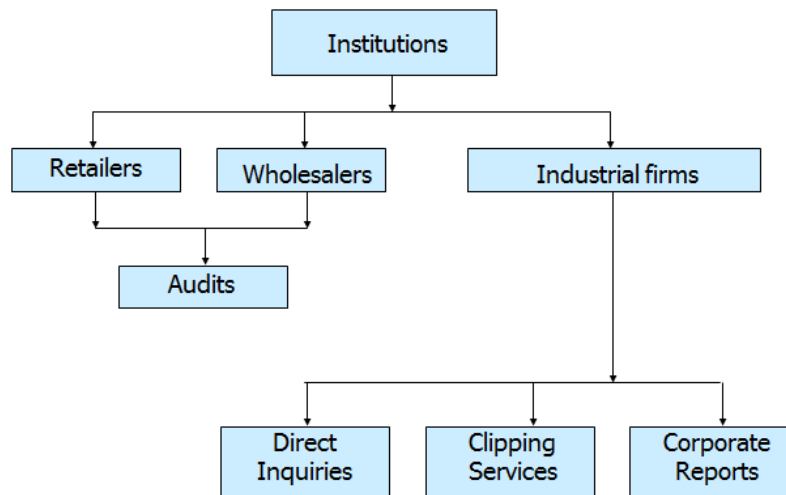
- iii) **Identifies Industry Trends:**
- iv) **Measures Brand Awareness, Strength, and Perceptions:**
- v) **Offers Competitive Intelligence:**
- c) Syndicated sources can be classified based on the unit of measurement (_____ or _____).
- d) Household/consumer data can be obtained from surveys, diary panels, or electronic scanner services.
- e) Institutional data is obtained from retailers, wholesalers, or industrial firms.

f) **Syndicated Services: Consumer Data**



VII. **Syndicated Services: Institutional Data**

Syndicated Services: Institutional Data



<http://www.productscan.com/>

h)...and some internet databases useful to marketers

▶ **Online Databases**



LexisNexis

<http://www.lexisnexis.com/>



ProQuest

<http://www.proquest.com/>

▶ **Statistical & Financial Data**



Wall Street Journal

<http://www.wsj.com/>



CNBC

<http://www.cnbc.com/>



Investors

<http://www.investors.com/>



FoxBusiness

<http://www.foxbusiness.com/>

▶ **Portals & Search Engines**



Google

<http://www.google.com/>



USA.gov

<http://www.usa.gov/>

IX. Primary Data examples

a. _____

i. Observational Data

1. Nielsen
2. TIVO
3. Web Cookies

b. _____

i. Mystery Shopper

ii. Videotaping

iii. Ethnographic Research

1. MTV visits teens in “The Merchants of Cool”

iv. Field Agent – A consumer app for Primary Data Collection!

1. Make money with your iPhone by completing _____ with Field Agent

2. What is it?

a.

3. We’ve made it our mission to

c. Questionnaire/Survey Data (Questioning Consumers)

i. _____

1. Individual Interviews
2. In-depth Interviews
3. Focus Groups
4. Fuzzy Front End techniques

a. "Unusual" ways to identify new, cool trends

ii. _____:

1. Personal Interview Surveys
2. Telephone Surveys
3. Mail/Fax Surveys
4. E-Mail/Internet Surveys
5. Mall Intercept Surveys

d. Question Formats

i. Open-ended: If students asked, I would tell them that MKTG 25010 is

ii. Closed-ended or Fixed Alternative

"MKTG 25010 is:"

- a. Outstanding
- b. Pretty Good
- c. Fair
- d. Pretty Bad
- e. Horrible

iii. Dichotomous

What is your gender?

_____ Male _____ Female

iv. Semantic Differential -- The response is give on a set of
"_____":

Please indicate your feeling about MKTG 25010:

Interesting	_____	_____	_____	_____	_____	Boring
Simple	_____	_____	_____	_____	_____	Complex
Useful	_____	_____	_____	_____	_____	Useless
Good	_____	_____	_____	_____	_____	Bad

v. Likert Scale -- Respondents rate their degree of
_____ with a statement:

Marketing 25010 is a good class:

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

--All can be useful; the format needs to match the goal.

--Writing the question can be an “art” that critically influences the result!!
See <https://www.surveymonkey.com/blog/2015/02/11/5-common-survey-mistakes-ruin-your-data/>

e. Collecting Primary Data

- i. _____
 - 1. An ongoing group of consumers or stores who agree to provide information
- ii. _____
 - 1. Carefully control the “cause” (the “stimulus”, e.g., the ad, the price, the packaging, etc.) and measure the important “results” (the “dependent variable,” e.g., attention, beliefs, attitude, sales).
- iii. _____

f. Using information for ACTION – issues

- i. Navigating information overload
 - 1. New ways to govern, measure, and _____ in the extended enterprise
 - 2. Information Systems...On-going, organized procedure to generate, analyze, disseminate, store, and retrieve information for use in making marketing decisions.
- ii. Data Mining
 - 1. Data warehouses can be analyzed the same way as databases (looking for predetermined patterns).
 - 2. However, due to size, it would be a slow and cumbersome process
 - 3. More advanced statistical and artificial intelligence techniques (called data mining) allow marketers to identify patterns and meaningful relationships!
 - 4. Harrah’s Example:

X. Step 4: Develop Findings

- a. Analyze the Data
 - i. Using the appropriate techniques
- b. Present the Finding
 - i. Communicated in a clear manner for ACTION

XI. Step 5: Take Marketing Action

- a. Make Action Recommendations
- b. Implement the Actions Recommended

c. Evaluate the Results

*Video EXAMPLE – Frontline from PBS
MTV Using Marketing Research for Action!*

- VIACOM's crown jewel is MTV earning _____ in profits
- MTV's Problem – _____
 - No longer seen as cool or creative
- MTV's Objectives:
 - How to get closer to the audience
 - How to learn what kids want and get closer to them
- The "data plan"-- Immerse themselves in _____
- Learn what the consumer wants and deliver it to them!
 - To ensure the bond, MTV depends on Market Research!
 - Research to understand _____
- Collect RELEVANT INFORMATION --TECHNIQUES:
 - Ethnography study (Collection of Primary Data with Personal Observation)
 - Visit the fan in his home
 - Gain insight into the teenaged male
 - What issues are important them?
 - Dating
 - Parents
 - Stressors?
- Develop and Present the findings.
 - Captured on video and shown to the MTV insiders
- What happens with the research? What portrait emerges?
 - The _____..???!!!!
 - He is crude, loud, obnoxious, and in your face.
- And the ACTION...he influences a great deal of programming!
 - Tom Green
 - Daredevils
 - Spring Break
 - Comedy Central South Park
 - The Man Show
- Criticism -- Are we capturing the "person?"
 - Revenues depend on being ahead of the curve!
 - Professional Wrestling
 - Huge with the audience

Chapter 9 -- Market Segmentation, Targeting, and Positioning (STP)

- I. Hewlett Packard – Printers (and more)
 - a) HP's Imaging and Printing Group (IPG) is "the leading imaging and printing systems provider in the world for printer hardware, printing supplies and scanning devices, providing solutions across _____ from individual consumers to small and medium businesses to large enterprises."
 - b) How has it obtained this position?
 - c) History
 - i) The 1980's
 - ii) The 1990's
 - iii) The 2000's
 - d) HP has been successful by finding _____ them with appropriate products and services!!
 - e) FUTURE CHALLENGES:

- II. Markets
 - a) _____ -- Groups of customers with different wants, buying preferences or product-use behavior
 - i) For example, what do YOU look for in a vacation?

 - b) _____ – A market segment for which the seller chooses to design a marketing mix
 - c) Market Segmentation – The PROCESS of identifying and describing _____ target markets
 - i) Market Segmentation involves _____ into groups, or segments, that:
 - (1) Have common needs, and
 - (2) Will respond similarly to a marketing action.

- ii) We need to target our market segment by “positioning” our offer; BUT first we need to define and describe the target market in detail.

III. Market Segmentation (another view)

- a) The process of dividing the total market for a good or service into several smaller, internally homogenous (i.e., _____) groups.

- i) Members of each group are similar with respect to the factors that influence demand

(1) For example 3 types of cars:

(a)

(b)

(c)

- b) Segmentation Benefits and Challenges

- i) More efficient use of marketing resources

(1) Example

- ii) Can help to create rapid growth

(1) Example

- iii) Challenges – Be Careful

(1) Too much complexity can frustrate consumers

(a) Example:

IV. Process of Market Segmentation

- a) Identify _____ within a _____

- i) Market research is used to explore this with CURRENT and POTENTIAL consumers.

- ii) Cell phone Example -- What do people want in a cell phone?

(1) Texting?

(2) Web access

(3) Gaming Apps

(4) Camera (or video?)

(5) Music



- (6) Fashion
- (7) Simple, low-tech
- (8) "Don't Care"
- (9) Business Users
- (10) For _____!

b) Identify the Characteristics that define the segment (what do prospective segments share that make them different from other segments with different needs/wants/desires?)

Example: Occupations and boots

- c) Determine the _____ of the segment and how well they are being _____ by current offerings
 - i) How large is the segment in terms of numbers, demand, and dollars (i.e., potential sales)?
 - ii) How _____ is their need (how dissatisfied are they with their current options)?
 - iii) How _____ is the existing competition?
 - iv) FORECASTS can help to determine which segments are worth pursuing!
 - Note: See the textbook Chapter 8 for "sales forecasting techniques" that may be very valuable here.
- d) This should allow us to determine the size of the segment, the urgency of the need, and the strength of the competition...so, _____
 _____ help determine whether or not this segment seems to be appealing for us

V. Market Segmentation Conditions that indicate a useful segment

- a) The segment is Measurable and we can _____ data about the segment

Example:

- b) Is the segment _____?

e.g., The Cleveland Plain Dealer:

- c) Is the segment _____ to be profitable for us?
 - i) Creating a new product/service, advertising it, distributing it, facing down competition is all _____.
 - ii) Is there enough size, demand, and sales to provide the _____ we will need?
 - iii) In some cases, we can be successful by treating EACH customer as a separate segment through _____.

Examples:

VI. Market Segmentation – Grouping Buyers into Segments

- a) Based on the Customer's reason for _____?
 - i) _____ -- For personal use = Final Consumer
 - ii) _____ -- To use in the organization, to resell, or to make other products

--Black and Decker and DeWalt Example:

Video: Felber on Market Segmentation at Felber & Felber

- (a) Felber & Felber has focused on the _____ segment
- (b) There are many manufacturing companies doing well
- (c) Felber & Felber only needs a few of these to FOCUS on with their specialties
- (d) Green Marketing and Early Stage Clients
- (e) They apply what they learned from other clients to this segment

However, while useful, this is too broad...so look at Consumer Market segmentation....

- b) Bases for Segmenting Consumer Markets (from the figure):
 - i) Geographics (Region, Size, Urban-rural, Climate)

- ii) Demographic (Income, age, gender, family life cycle, social class, education, occupation, ethnic background)
- iii) Psychographics (e.g., VALS)
- iv) Behavioral segmentation (Benefits desired, usage rates)
- v) Usage Rate

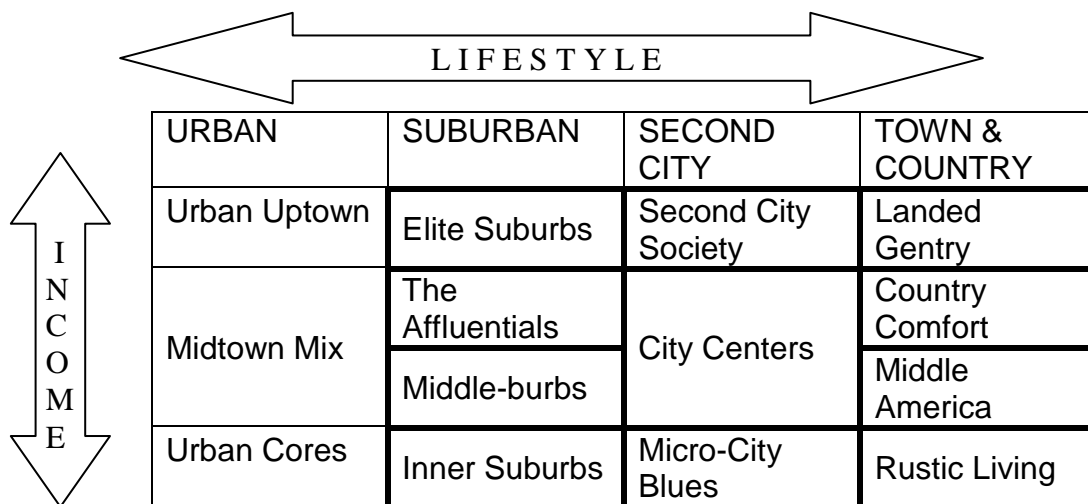
Examples:

(1) _____ (by Age)

(2) Psychographic Segmentation

(a) As the American population becomes more diverse and affluent, demographic researchers are changing the way they define segments of American society.

(b) _____ has defined 14 distinct groups of consumers based on recent Census and consumer data that emphasize income, age, and lifestyles. Segments of each group buy the same types of cars, read the same magazines, and watch the same television shows.



- Claritas' 14 segments are divided into 66 smaller clusters.

For more, see: USA Today – Who We Are: Redefining our demographics

<http://www.usatoday.com/news/graphics/whoweare/flash.htm>
<http://www.claritas.com/MyBestSegments/Default.jsp>

- Useful for direct-mail promotions, retail outlet selection, decisions about the mix of products/brands to offer in the area.

(3) Behavioral Segmentation

- (a) _____ is an “ideal” approach, but often hard to measure
 - (i) Example: What are the benefits of wearing clothing that has label on the outside?
 - (ii) Citicard example:

(4) Usage Rate

- (a) Non-users
- (b) Light users, medium users, heavy users
 - (i) Best Buy Example:

VII. “Traditional” Target Market Strategies

- a) _____ (mass-market, undifferentiated market, one size fits all)
 - i) Use a _____ for everyone – A “shotgun” approach.... VERY UNCOMMON; perhaps some _____
 - ii) Potential Advantages;
 - (1) Lower _____, and
 - (2) Easy to _____
- b) _____ Strategy
 - i) Product differentiation involves using different elements of the marketing mix to help consumers see the product as being different from the competition, and “better” for the consumer
 - ii) Apple example:

- c) Single-Segment Strategy (_____)
- i) Create a single marketing mix which targets a single, well defined group
- ii) Can be a good way to _____ in the broader market
- (1) Examples

iii) The marketer can earn a reputation as an _____ or a _____ in this _____ market

iv) Niche markets are often (though not always) relatively _____

(a) Example:

v) So, this is one way for a firm with _____ to be competitive!

vi) CAUTION: A danger of this approach is that you are _____

(1) Example

d) _____

i) Identify MULTIPLE segments, and develop, market, and manage MULTIPLE marketing mix offering attempting to satisfy the needs, wants, and desires of EACH segment with a “_____” marketing mix.

e.g., Bayer HealthCare Products

ii) Advantages:

(1) Eliminate or reduce _____

(2) Become _____

iii) Disadvantages:

(1) Higher _____

(2) Higher _____

(3) Higher _____

(4) SO,

For example it is estimated that _____

Examples: Gap Clothing Segmentation and Jeans segmentation

Gap

Banana Republic

Old Navy

Athleta

INTERMIX

Piperlime

Jeans Example:

- e) Video: Muller on Segmentation at Timken
 - i) Primarily by industry
 - (1) Primary metals
 - (2) Wind energy
 - (3) Power generation
 - (4) Cement
 - (5) Automotive
 - (6) Off highway construction vehicles
 - ii) And then **further** with micro segmentation
 - (1) Short lead time
 - (2) Longer life
 - (3) More productivity

- iii) Challenge to discover the segment's needs and to create a mix for each
- f. Example: Bayer Consumer Products Example
(http://www.consumercare.bayer.com/scripts/pages/en/our_brands/index.php)

- i) Background

- (a) Employees: 6,600
- (b) Activities in more than 100 countries
- (c) Sales: Over EUR 2 billion
- (d) More than 170 brands worldwide
- (e) Global Headquarters: Morristown, NJ
- (f) Bayer HealthCare's OTC brands are manufactured around the globe in Europe, North America and Latin America, as well as in Asia.

- (2) _____ Major Segments

- (a) Analgesics: Bayer Aspirin, Aleve, Aktren, and Midol
- (b) Gastrointestinal: Alka-Seltzer, Lefax, Phillips Milk of Magnesia, Rennie, and Talcid
- (c) Dermatological: Bepanthen, Bepanthol, Canesten
- (d) Cough and cold remedies: Alka-Seltzer Plus, Aleve Cold & Sinus, and Tabcin
- (e) Multivitamins and dietary supplements: Berocca, One-A-Day, Flintstones (complete, gummies, plus, my first Flintstones)

- (3) Two Major Segments within _____

- (a) Aspirin Regimen
- (b) Aspirin for Pain Relief
<http://www.bayeraspirin.com/products/products.htm>
- (c) Multiple offerings within each segment

VIII. Selecting a Target Market – Guidelines

- a) BEFORE selecting a segmentation strategy, determine the _____ of the segments.
- b) Is the segment's needs _____ with the company's goals
 - i) Example:
- c) A good _____ with the company's resources
 - i) Example:
- d) _____ that justify the investment
 - i) The segment must be _____

ii) The segments should be expected to _____

iii) We can reach the segment at a _____

(1) Example:

e) Competitors are _____

IX. Positioning the Product (STP)

a) Creating and maintaining in the minds of target market consumers a particular image relative to competing products

i) Example:

(1) The NAME

(2) Its ads

(3) The dentist recommendations

b) Consumers often form mental “_____” for brands that will simplify their decision making – we want to _____

c) Three steps to Positioning a product

i) Select a _____ based on what is important to the target consumers.

-- Answer the question, “What will you do for me that _____?”

Dove:

ii) Design the _____ that conveys the position

--Done well, this embodies your “_____” (USP).

--Your USP _____ your product from the competitors, on a feature that is _____ to consumers.

--Examples are having the lowest cost, the highest quality or being the first-ever product of its kind.

--A USP could be thought of as "what you have that _____ don't" (that is of importance to your consumers).

- iii) Coordinate ALL _____ to convey the position to the target consumers

Examples:

_____ : "Expect more. Pay less."
U.S. _____ : "The toughest job you'll ever love."
_____ : "Melts in your mouth, not in your hand."
_____ : "The World on Time" and "When it absolutely, positively has to get there overnight."
_____ : "The Miracles of science."
_____ Jewelers: "Every kiss begins with _____."

- d) The Perceptual Map as a product positioning tool
- i) Step 1 -- Analyze the Map and select the _____
 - ii) Step 2 -- Design the dimension or the product feature that most effectively conveys the _____
 - iii) Step 3 -- Coordinate the marketing mix components to convey a consistent position to the target audience
 - iv) Of course, this can only work if it is a "good" segment and all the segmentation criteria are met!

X. Positioning Errors

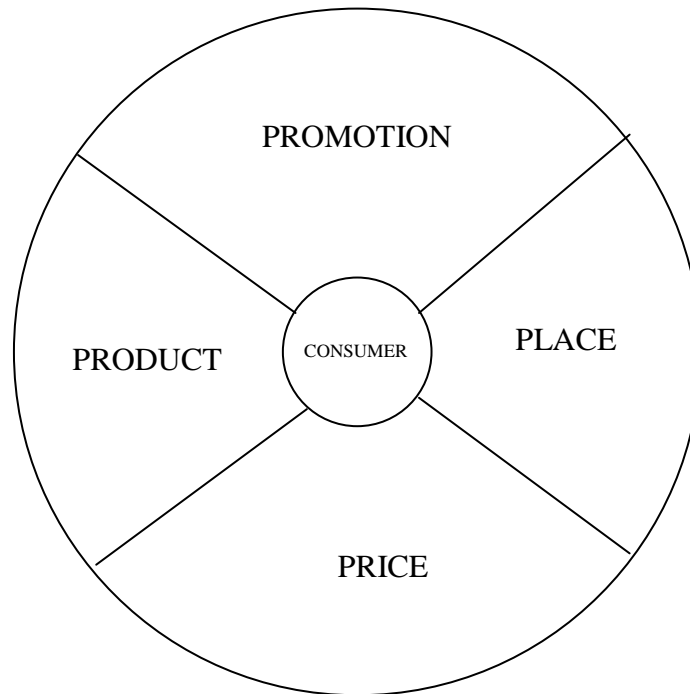
- a) _____
- i) Failing to position the brand very well.
(1) Examples:
- b) _____
- i) Giving buyers too narrow a picture of the company.
(1) Example
- c) _____
- (1) Claiming two or more contradicting benefits OR changing positions often
 - (2) Leaving buyers with a confused image of a company.
(a) Example

XI. Basic Positioning Platforms (and examples)

- a) Premium Positioning or status symbol
- b) Value for money
- c) Friend / family values /warmth
- d) Problem Solver
- e) "Fun"
- f) Trendy / stylish
- g) Role model/ user imagery (reliability, trust, quality, premium); Celebrity endorsements
- h) Anti-establishment / rebel
- i) Technology leader / Innovation
- j) Service Leader
- NOTE: It would be simplistic to look at these platforms as independent and exclusive. Many brands can (and do) span more than one platform.

Chapter 10 -- Developing New Products and Services

The Marketing Mix



I. New Products? Who needs 'em?

Examples:

- Thomas Watson, chairman of IBM, 1943
- Thomas Edison, 1922
- Ken Olson, chairman and founder of Digital Equipment Corp., 1977
- Daryl F. Zanuck, president of 20th Century Fox, 1946
- Harley-Davidson 2014

II. Great New Ideas are the cornerstone of business success

a) Price Waterhouse Coopers

- i) 50% or more of plausible business ideas come from customers, competitors, and suppliers.
- ii) The rest? _____
- iii) **The Challenge!**
 - How can we stimulate _____ to make suggestions? and,
 - How can we _____ to find promising ideas?

b) Imaginatik – Innovation Central

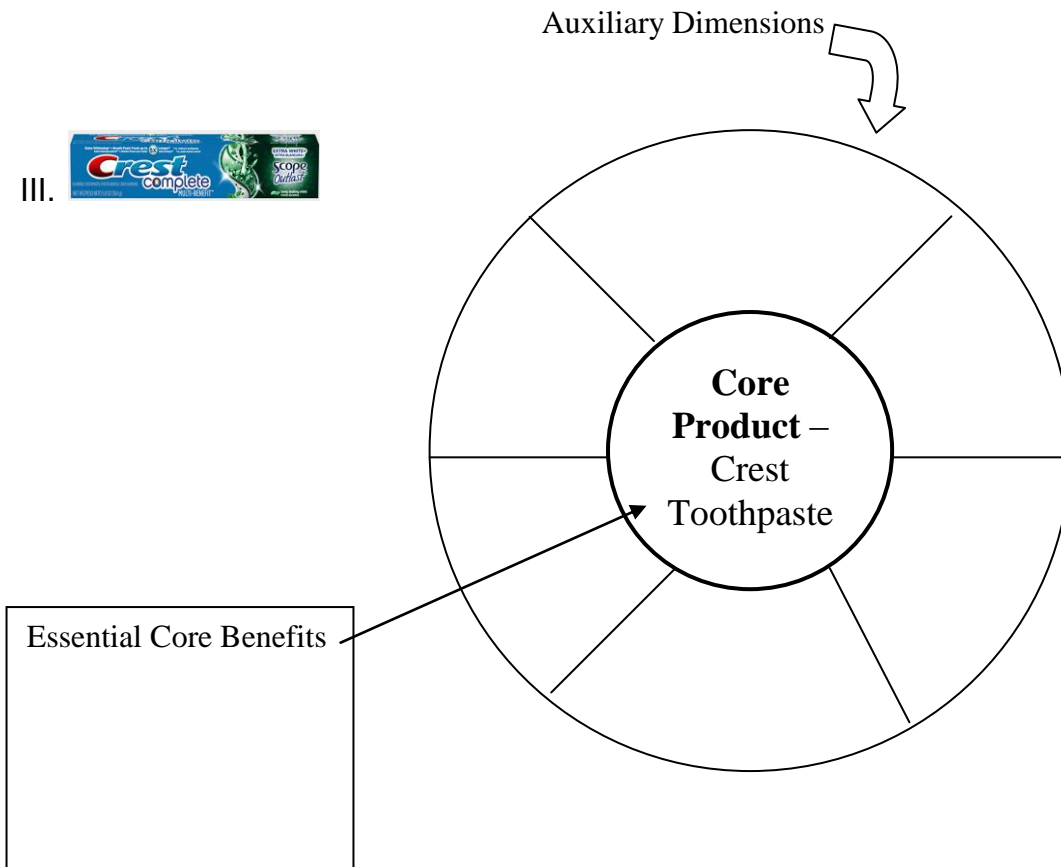
III. Understanding the terms

a) What is a “product”?

- i) A set of _____ and _____ attributes.
- ii) May be a _____
- iii) Which provide satisfaction of _____ in the form of _____ .
- iv) And is exchanged for money (or some other unit of value).

b) The “Total Product”

- i) A Broad spectrum [bundle] of tangible and intangible benefits
- ii) Primary Characteristics:
 - (1) Basic features of the _____
- iii) Auxiliary Dimensions _____
 - (1) Example: Crest Complete



Understanding the terms

c) Product Line

i) A group of closely related products that _____:

- (1) a class of needs,
- (2) are used together,
- (3) are sold to the same customer group,
- (4) are distributed through the same type of outlets,
- (5) or fall within a given price

ii) EXAMPLE: Product Lines at Church & Dwight Co. Inc.

(1) Personal Care lines:

- (a) Antiperspirants & Deodorant
- (b) Eye Care
- (c) Fertility
- (d) Hair Removal
- (e) Nasal Care
- (f) Oral Care Products
- (g) Ovulation
- (h) Wound Wash

(2) Household Product lines:

- (a) Baking Soda
- (b) Deodorization
- (c) Fabric Care
- (d) Household Cleaners
- (e) Pet Care Products
- (f) Wood Care

d) Product Mix

i) The number of _____ offered by a company.

e) Width of Product Mix

i) The number of product lines carried (Church & Dwight is broad; Spyder Paintball is narrower)

f) Depth of Product Mix

i) Average Number of Products in _____.


g) Consistency of Product Mix

i) How similar are our product lines?

ii) PRODUCT MIX EXAMPLE:

REDKIN is _____ and _____

Width (Number of Product Lines)




Depth of Items




Hair Care			
Shampoo			
Conditioner			
Treatment			
Stylers			

CVS is _____ and _____

Width (Number of Product Lines)



Depth of Items

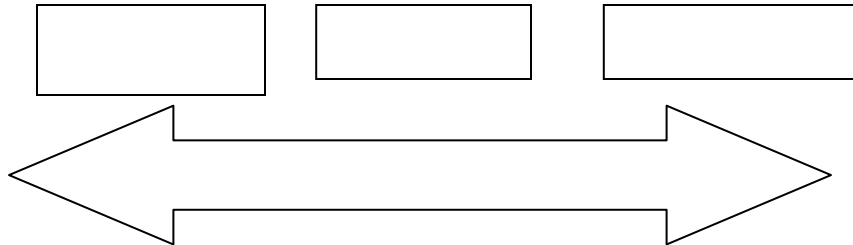


Vitamins	Beauty	Diet	Grocery
Herbals	Bath & Body	Fitness & Yoga	Beverages
Minerals	Tools	Monitors	Candy
Multi	Hair Care	Supplements	Cleaning
Supplements	Makeup	Weight Loss	Laundry

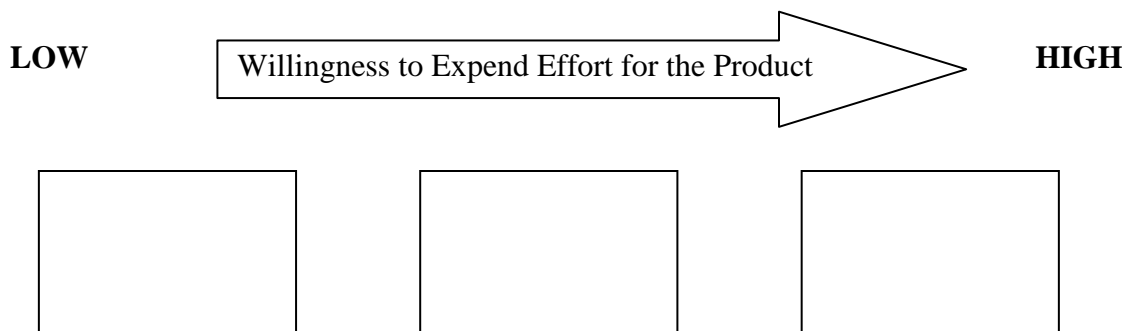
IV. Classifying Products

a) Consumer Goods

- i) products purchased by the _____ consumer.
- ii) Based on Durability/Tangibility Classification (goods-services continuum)



iii) Based on CONSUMER'S Interest



Examples:

iv) CONVENIENCE PRODUCTS

(1) Characteristics:

- (a) Relatively Inexpensive
- (b) Purchase is regular and recurring
- (c) Little Thinking Involved
- (d) Minimal Shopping Effort
- (e) Bought a most convenient location
- (f) "Staple" products, like groceries, and
- (g) Impulse purchases (candy bar?)

(2) STRATEGY:

- (a) Make available in every possible place
- (b) Must be visible inside the store

- (c) Distribution is a major marketing mix factor
 - (d) Easy substitution by similar brands (consumer will accept another brand)
 - (e) Extensive advertising is used
- v) Shopping Products
- (1) CHARACTERISTICS:
 - (a) Product comparisons occur
 - (b) Consumer seek information
 - (c) Decisions are based on thought
 - (d) Relatively higher prices
 - (e) Often technology or fashion oriented
 - (f) Monetary & social risks
 - (g) Brand loyalty may be found
 - (2) STRATEGY:
 - (a) Selective distribution
 - (b) Consumers will seek products in less visible locations
 - (c) Product attributes and Quality are important
 - (d) Product differentiation is possible
- vi) Specialty Products
- (1) CHARACTERISTICS:
 - (a) Substitutes are not accepted
 - (b) Infrequently purchased
 - (c) Extensive Search
 - (d) Brand loyalty may be strong
 - (e) Loyalty to retailer may be as important as brand selection
 - (f) May travel great distances to acquire
 - (2) STRATEGY:
 - (a) Limited distribution
 - (b) Consumers will seek products regardless of location
 - (c) Extensive product and price differentiation
 - (d) Strong brand image

vii) Unsought Products

(1) CHARACTERISTICS:

- (a) Consumer does not know about or does not want the product (initially)
- (b) Interest is likely caused by a “sudden or unexpected problem” (rain = umbrella; death = funeral plot)
- (c) The consumer is not likely to be loyal and will accept substitutes

(2) STRATEGY:

- (a) Limited distribution
- (b) Need to advertise so consumers are aware when the need arises
- (c) May require persistent and aggressive advertising and selling approach

Example: Spectrum Brands Segmented based on Consumer Markets

b) _____

- i) Products that assist directly or indirectly in providing products for resale. Also called *B2B goods*, *industrial goods*, or *organizational goods*.
 - (1) **Manufactured materials and component parts:** (electrical resistors, screws, electric motors, computer chips, spark plug)
 - (2) **Process materials (raw materials):** used in production, become part of finished product (chemicals, wood, wheat, cotton)
 - (3) **Installations:** primary production equipment and major capital items (buildings, computer hardware, assembly lines, oil drilling rig)
 - (4) **Accessory equipment:** (Copiers, office equipment, cell phone, hand tools)
 - (5) **Maintenance, Repair, and Operating Supplies:** facilitate routine operations (writing paper, staples, tape, Post-it notes)
 - (6) **Services:** intangible product provided by others to facilitate the firm’s production and operation (maintenance, repairs, trucking, security service, legal advice, consulting)

V. Product Development

- a) The development of _____
- b) The continuous improvement of _____
- c) WHY bother?
 - i) Any company that does not innovate will eventually be crushed by competition or abandoned by its consumers
 - ii) “ _____!”
 - iii) EXAMPLE: Innovation at two very different companies
 - (1) GOOGLE
 - (a) Ideas come from everyone in the company – even the finance team.
 - (b) Open information on every project – every idea, every deadline.
 - (c) Favor intelligence over experience.
 - (d) Employees get a free day each week to innovate – 50 percent of new products come from this time.
 - (e) Don't politic for your idea, use data – eliminate 'I like' for real data.
 - (f) Give people a vision, rules how to get there and deadlines – creativity loves constraints.
 - (g) Simple to use and easy to love – the money will follow this.
 - (2) **Whirlpool**
 - (a) Stick with it – it can take up to six years to attain a big payback.
 - (b) Innovation alone is not enough – need operational excellence as well.
 - (c) Be highly practical – inventions have to be something someone will buy.
 - (d) At Whirlpool, sales from new product ideas less than 5 years old were less than \$30 million; today they are more than \$1.2 billion!!

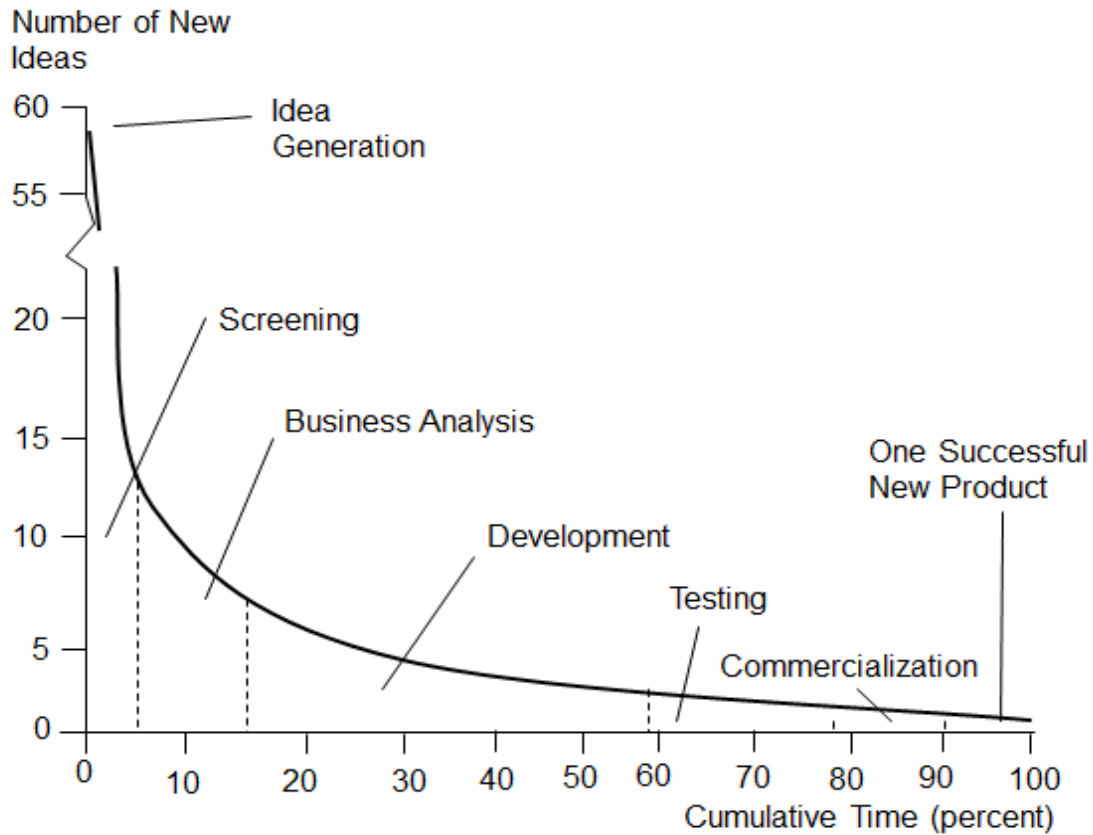
VI. Differing Perspectives of New Products

- a) Newness Compared with Existing Products –
“ _____”
- b) Newness in Legal Terms—for _____
_____ after “regular distribution”
- c) Management perspective:
 - i) New-to-the-world products (true innovation)

- (1) High Risk
- ii) Product category extensions
 - (1) Diversification into an established market for an existing product--
 BUT, _____

- iii) Product line extensions
 - (1) Additions to _____
- d) Consumer Perspective:
 - i) _____ innovations
 - (1) Variations of existing products
 - (2) No behavior changes or new learning
 - Example:
 - ii) _____ innovations
 - (1) Improvement of existing products
 - (2) Minor behavior changes, some new learning
 - Example:
 - iii) _____ innovations
 - (1) New function
 - (2) Major behavior changes and education needed
 - Example

VII. What it takes to launch ONE commercially successful new product

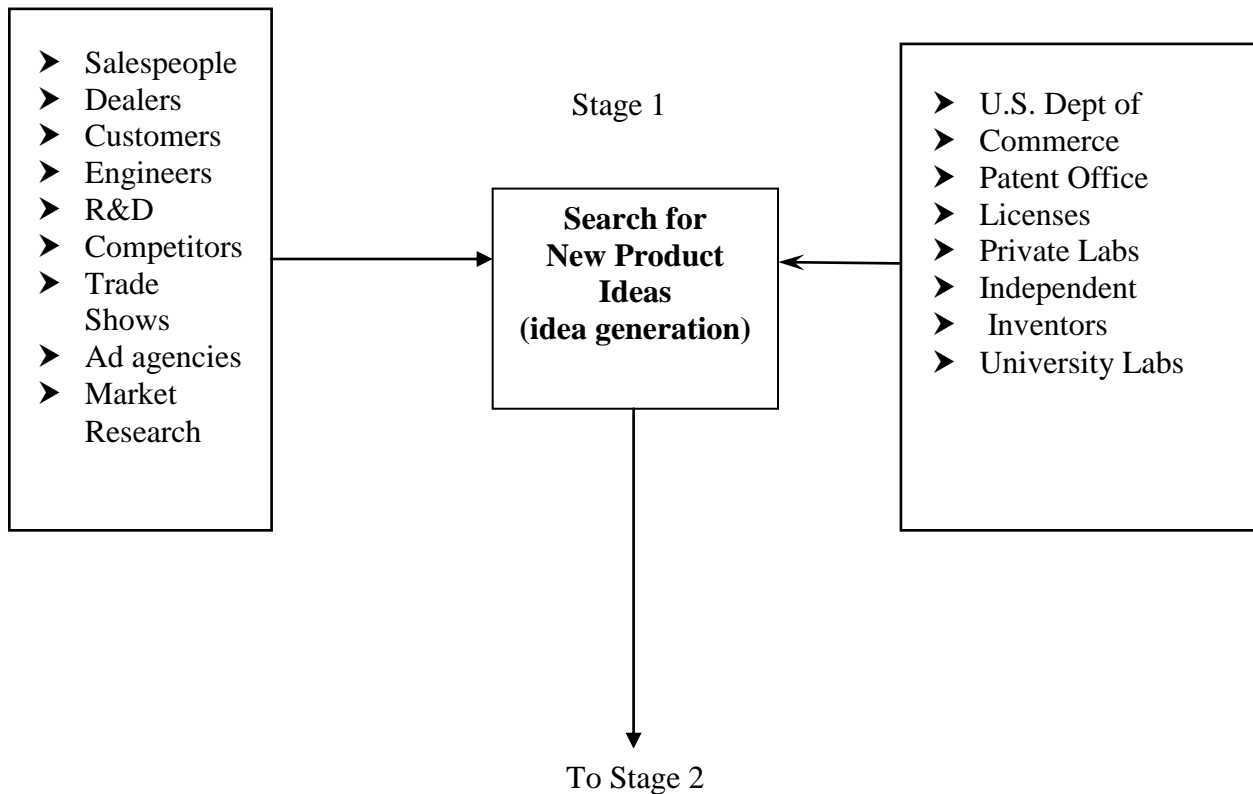


Adapted from Rouse, Allen, and Hamilton 1985

VIII. Characteristics of Success for a New Product

- a) _____
 - i) An enhanced bundle of benefits
- b) _____
 - i) Similar usage or consumption, patterns, and values
- c) _____
 - i) Opportunity for buyer testing through sampling or divisibility
- d) _____
 - i) Buyers see the newness
- e) _____
 - i) Complexity is a disadvantage which slows diffusion
- f) A good marketing mix, well executed

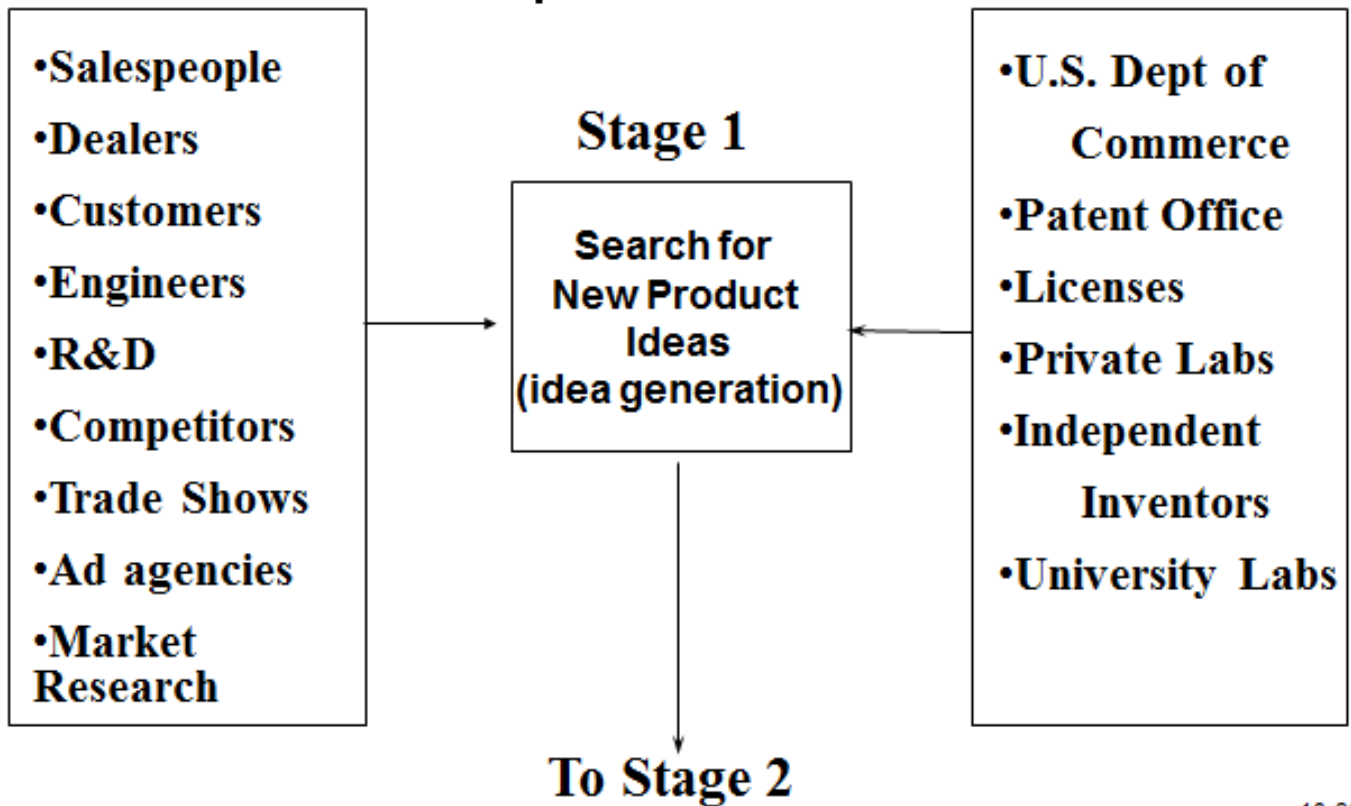
IX. Stages in the New-Product Development Process



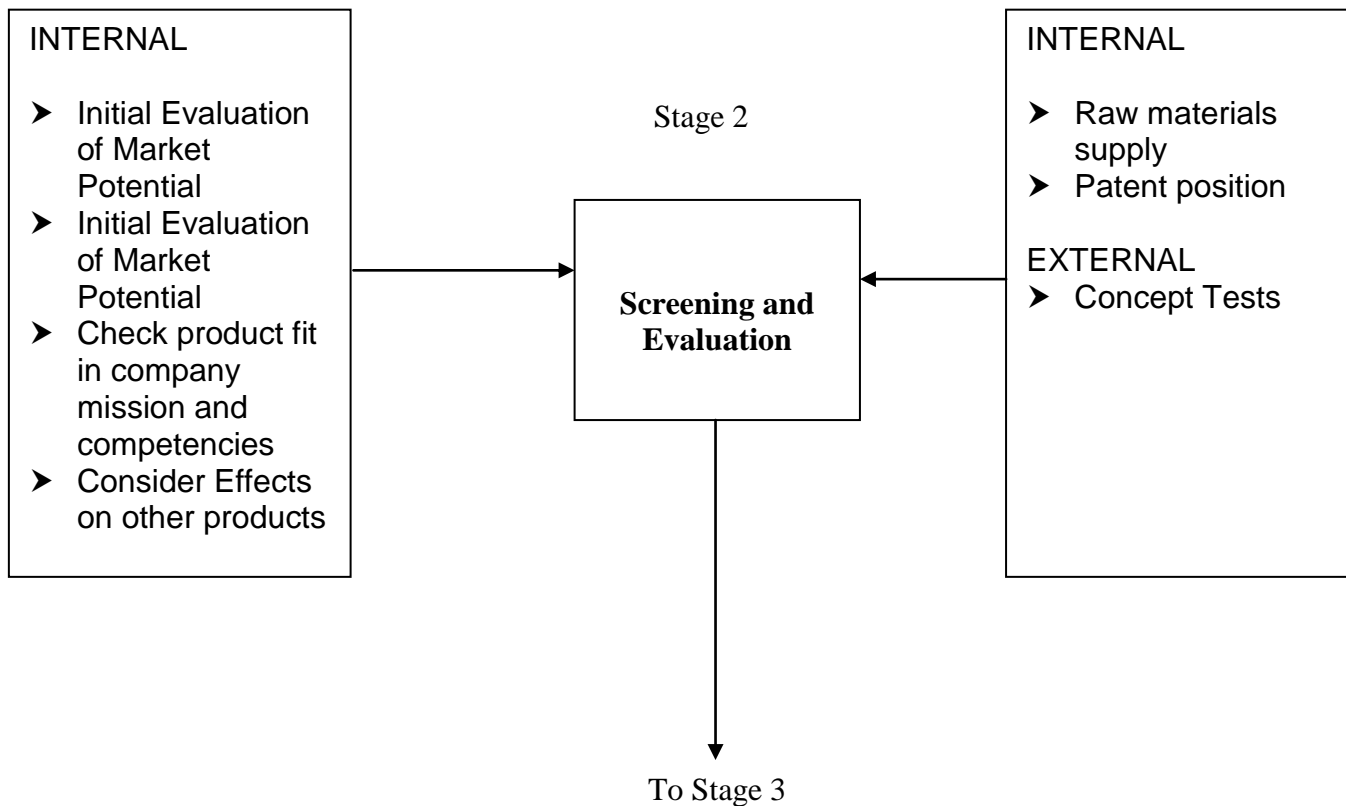
Video: Fred Hunt on a New Product Idea for at Sherwin-Williams

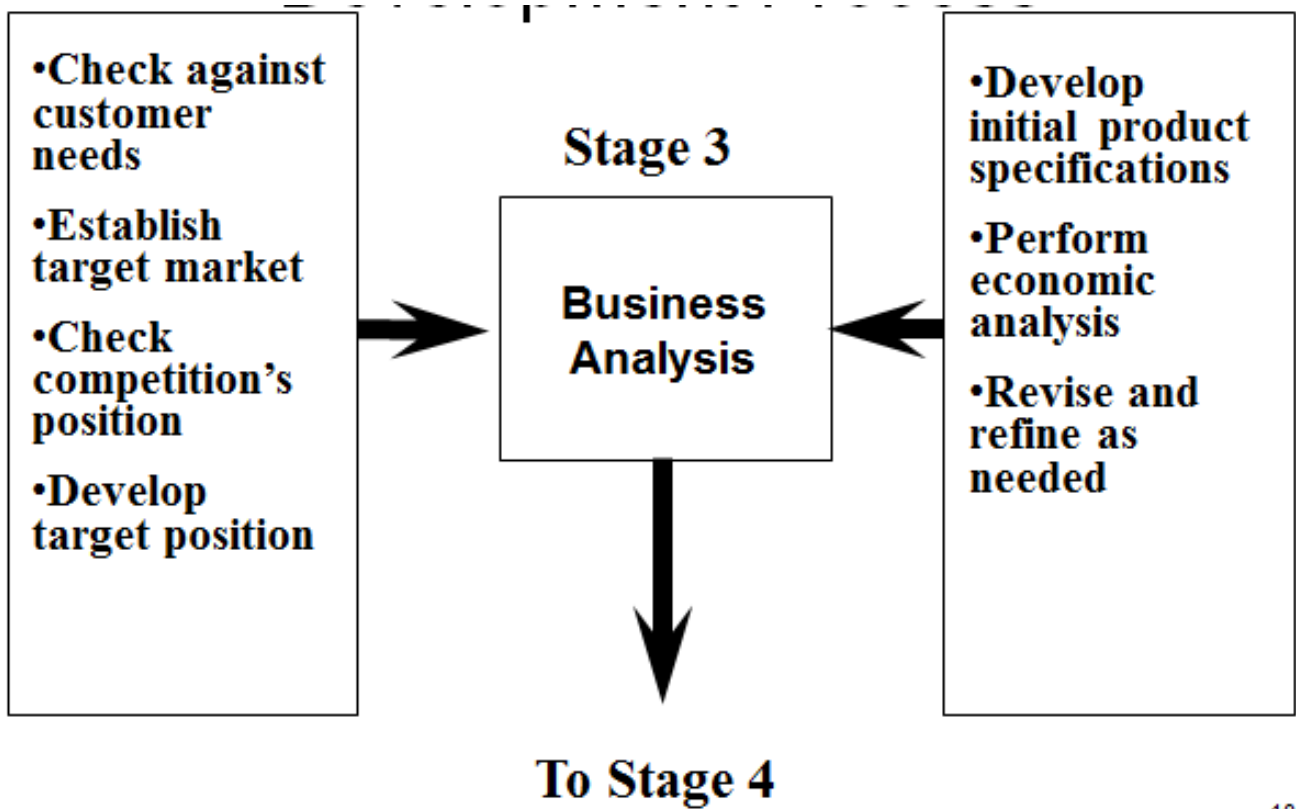
- a) Marketing is very much focused on the _____
- b) At Sherwin-Williams we _____
- c) How the conversation resulted in _____
- d) We know that our “do-it-yourself consumer is mostly _____
- e) She knows what she wants and she makes _____
- f) She was doing the actual _____
- g) BUT, she has a few things that she was _____
- h) SO, we did some _____ to watch what she was doing when she got the product home.
- i) We found that she had problems with (a) _____
(b) _____ and (c) _____
- j) We thought about the innovative idea of making the process _____.
- k) From this came the _____ paint can.
- l) It has a Wide handle, a Twist Off Top, and a Spout!!

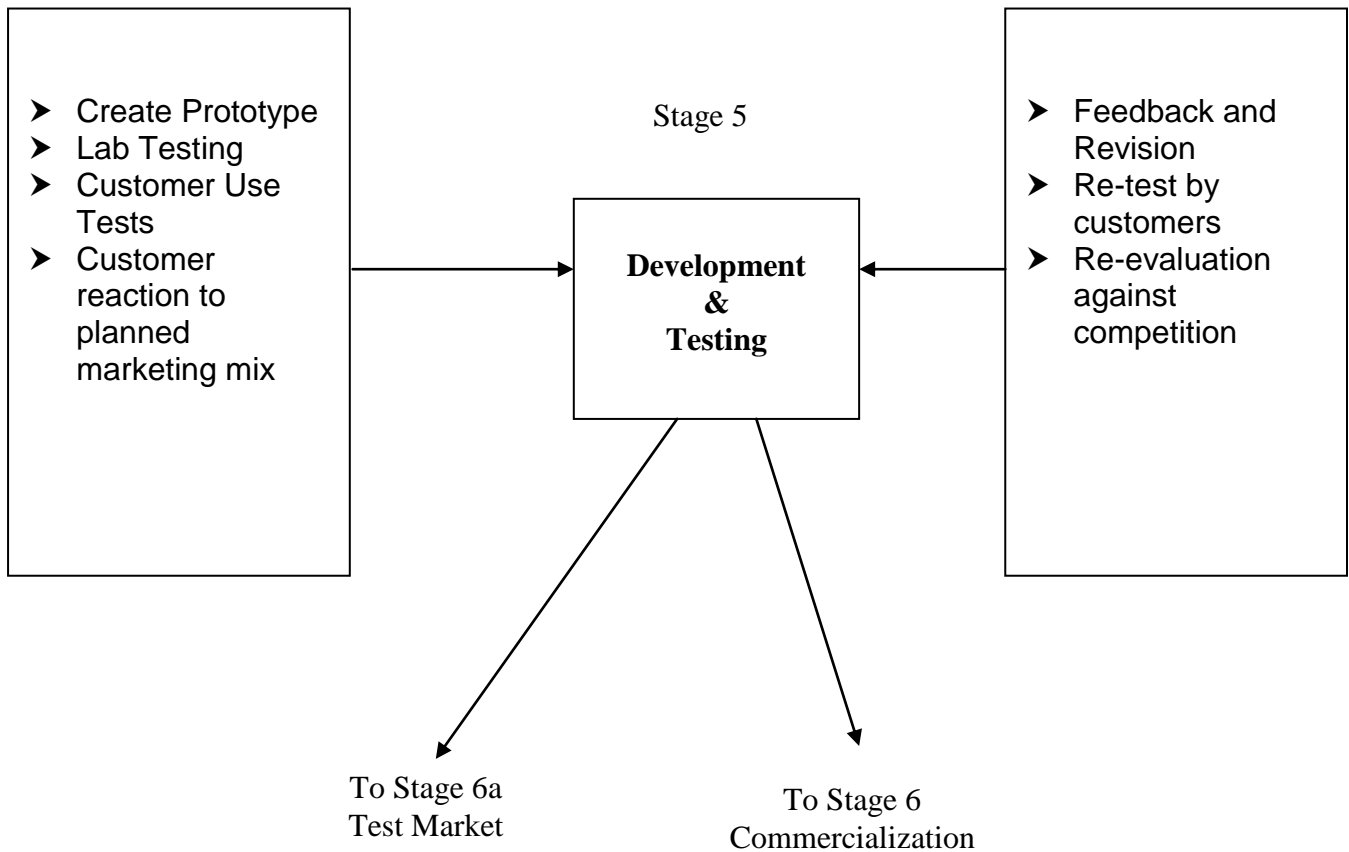
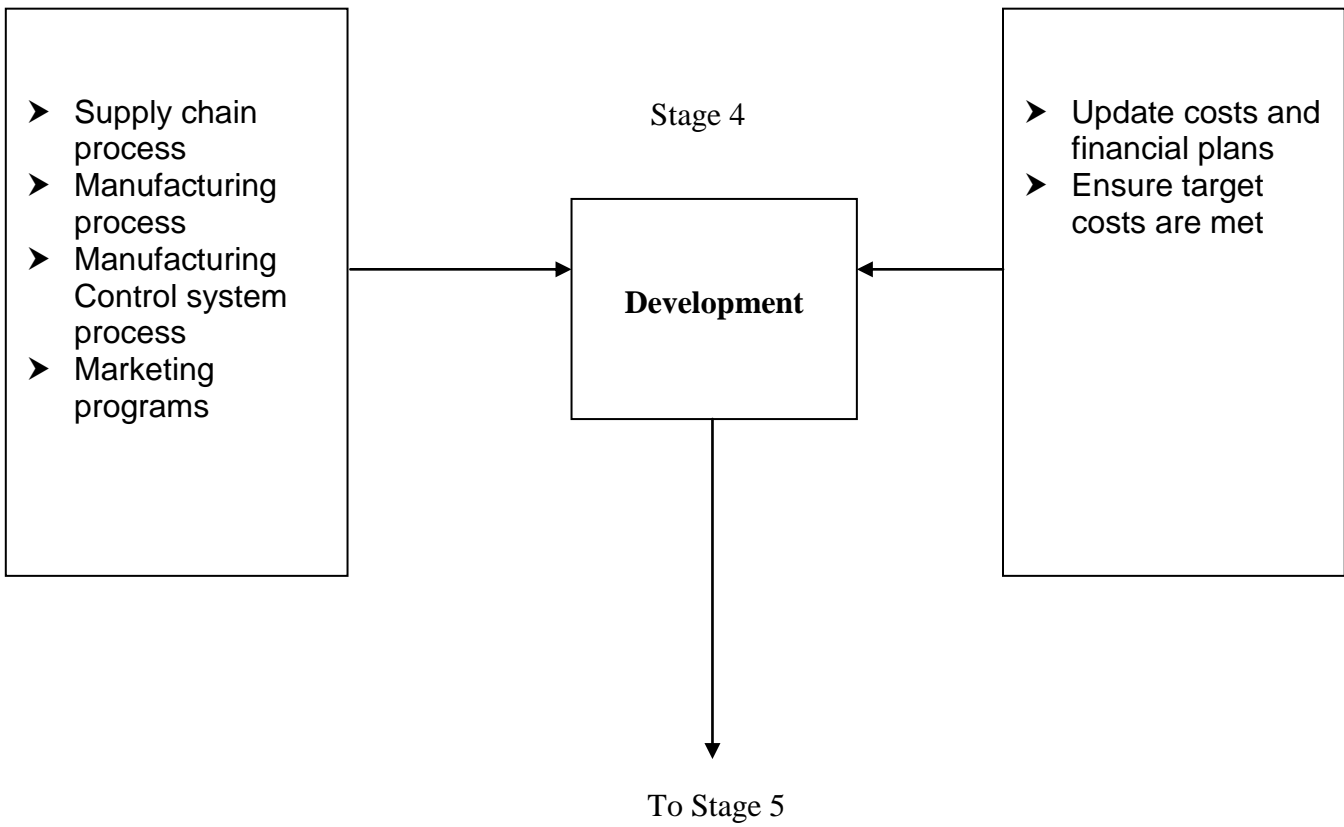
m) A Classic Story of

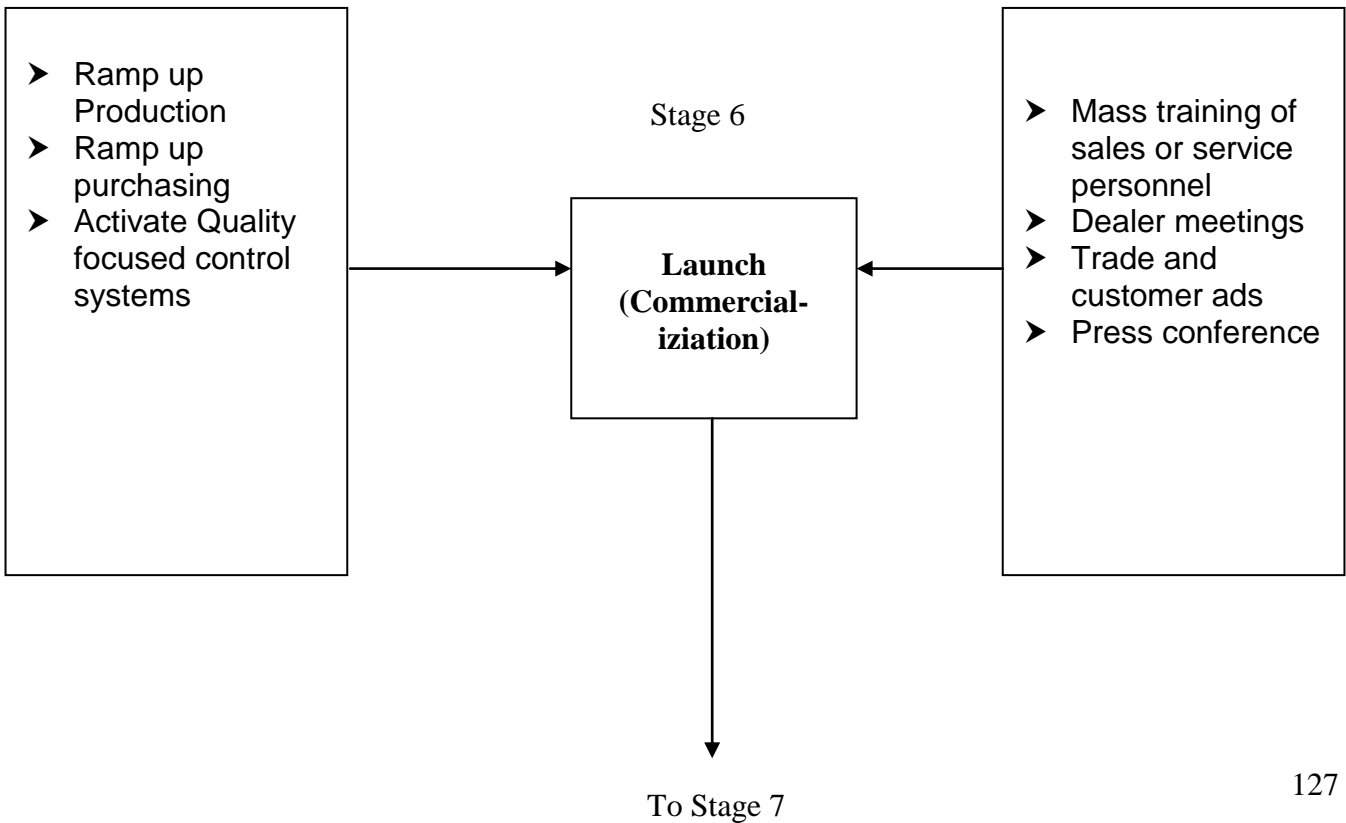
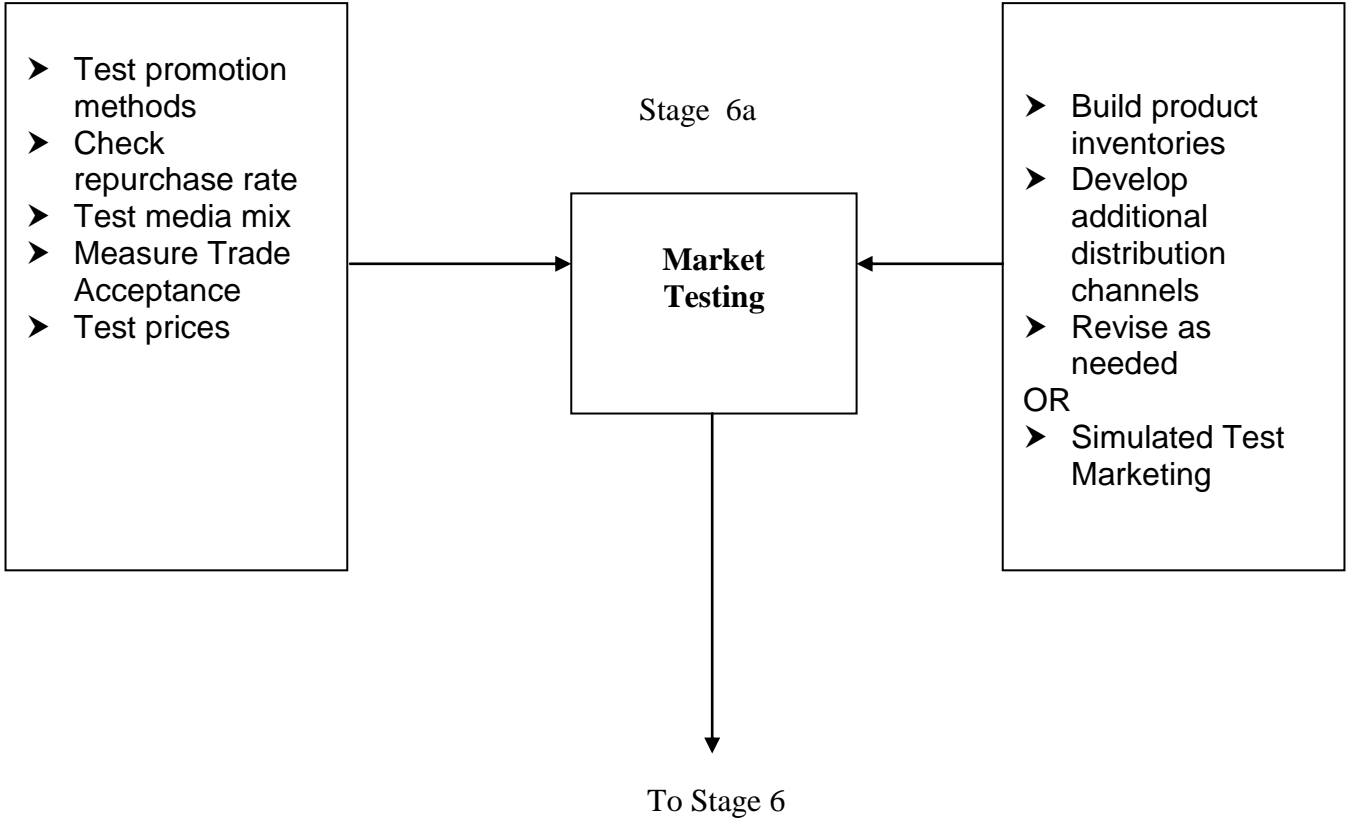


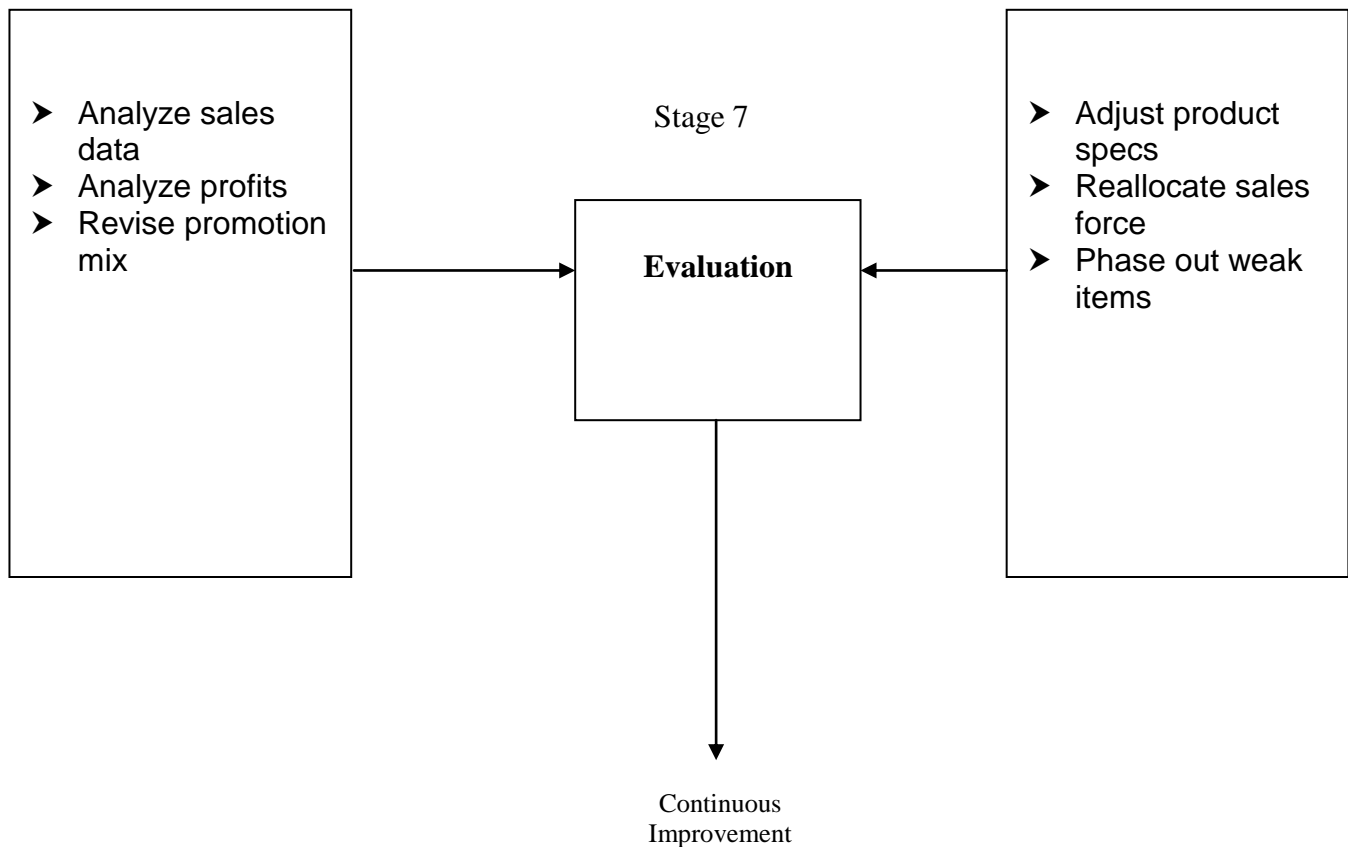
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X. Why New Products Fail

- a) No Competitive _____
- b) _____ Reaction
- c) Badly _____
- d) Poor Quality
- e) Does Not Deliver Promised _____
- f) Too Little Marketing Support (SYNERGY!)
- g) Low Perceived _____
- h) Bad Estimates of Market Potential (or other marketing research errors)
 - i) --Forecasts are dangerous, especially those about the future!!!
 - j) Poor estimates of Production &/or Marketing Costs
 - k) Poor Selection of Marketing Channels
- k) Rapid Change in the Marketing Environment

XI. ...so Research, Research, RESEARCH!!

- Thinking about research and sample size...
 - <http://www.robertniles.com/stats/sample.shtml>

Chapter 11 -- Managing Successful Products, Services, and Brands

I. Introduction – Starbucks

a) The Early Years:

1971

1982

1986

1987

b) Growth

1987

1991

1992

1996

c) Managing the product and brand extensions.

- Internet
- UA flights
- Dreyer's
- Barista home espresso
- Chai Tea Latte
- Supermarkets
- Tazo Tea
- CDs
- Website
- Loyalty Program
- VIA Ready Brew
- Seattle's Best
- Single Serving Pods

d) Starbucks Logos

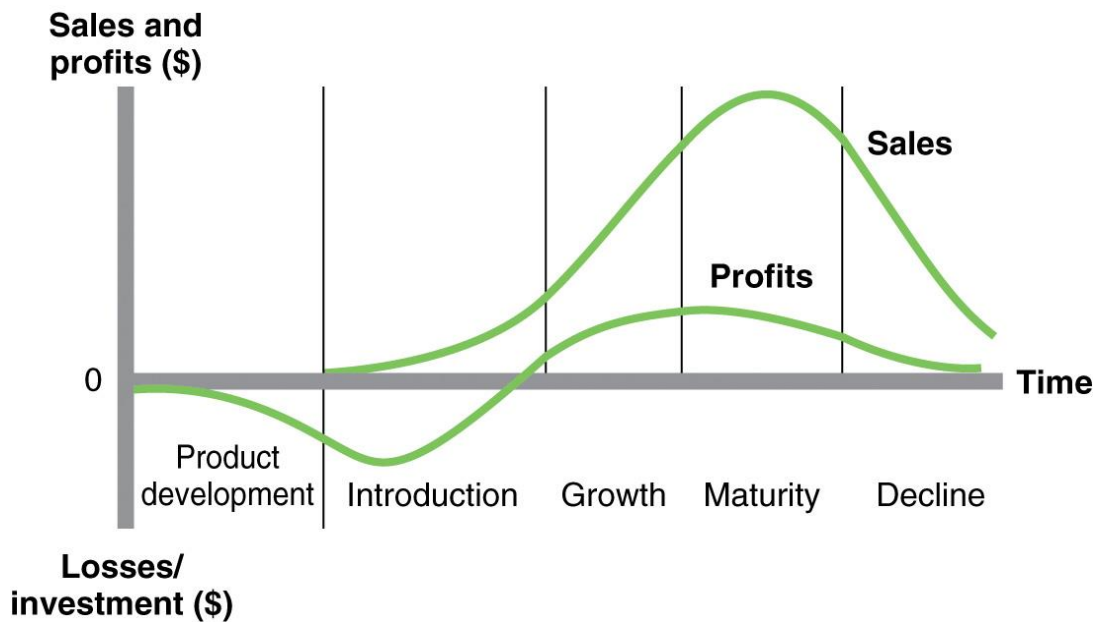
1971-1987
1987-1992
1992-2011
2011-

e) Starbucks Competition

2007
2008
2010-11
McDonald's
Dunkin' Donuts
Mrs. Fields
Lattes

II. The POINT: Changing _____ AND _____
REQUIRE marketers to actively and successfully _____ their
products and brands!

III. Product Life Cycle



- a) The PLC shows the _____ over an extended period of time for all brands comprising a generic product category.
- b) PLC and profit curves varies from product category to another, but above is the _____ that we often see.
- c) Note the _____ profits. Sales are needed to offset product development costs
- d) As we move through the PLC, we must increase advertising and selling efforts and cut prices in face of _____.
- e) Deciding when to enter a market can IMPACT _____.

IV. PLC Characteristics and Implications

a) Characteristics	Introduction	Growth
b) Customers	Innovators	To the masses
c) Competition	Little	Increasing
d) Sales	Low	Rapid Growth
e) Profits	None	Strong & then peak
a) Marketing Implications		
b) Overall Strategy	Market Development	Penetration
c) Costs	High per unit	Declining
d) Product Strategy	Undifferentiated	Improved features
e) Pricing Strategy	High	Lower over time
f) Distribution Strategy	Scattered	Intensive
g) Promotional Strategy	Awareness	Brand Preference

a) Characteristics	Maturity	Decline
b) Customers	Mass market	Loyal Customers
c) Competition	Intense	Decreasing
d) Sales	Slow	Declining
e) Profits	Declining	Low/none

a) Marketing Implications

Overall Strategy	Defensive	Efficient or exit
b) Costs	Stable	Low
c) Product Strategy	Differentiated	Pruned line
d) Pricing Strategy	Lowest	Increasing
e) Distribution Strategy	Intensive	Selective
f) Promotional Strategy	Brand Loyalty	Reinforcement

g) WHY do brands decline?

- i) Better or _____
- ii) The need _____
- iii) Most competitors abandon the market, BUT
- iv) Some can develop small successful niche businesses.

V. Length of Product Life-Cycle

a) The PLC diagram suggests that stages are of _____ length (this may not be accurate)...certainly _____

Examples

- i)
- ii)
- b) Extended introduction stage
- c) Fad
- d) Indefinite Maturity stage

e) The Product Life Cycle is getting shorter for most products due to:

- i) _____ (“me-too”)
- ii) Technology advances
- f) The Product Life Cycle can be affected by
 - i) The Product Category and _____
 - (1) Example

ii) Differences in _____

(1) Example

VI. Product Life-Cycle Management

Successful marketers need to do well at:

- a) _____ the PLC for their product, and
- b) Recognize what stage they are in and _____ to it.
 - i) ISSUES: When to enter?
- c) Entry Strategies
 - i) When is there a Pioneering Advantage?
 - ii) An imitation strategy may be better!
- d) Managing on the Rise
 - i)
- e) Managing During Maturity
 - i)
- f) Surviving the Decline
 - i)
 - (1) During the decline stage firms may:
 - (a) Ensure that marketing and production programs are _____ as possible,
 - (b) Prune _____ sizes and models which decreases sales but increases profits,
 - (c) Run out the product to squeeze out final profits, or
 - (d) _____ (best and toughest route)

VII. Brands

- a) The word “brand” is comprehensive
- b) Brands are used both to _____ the seller and to _____ the product from competition.
- c) Brand Name --Words, letters, numbers that can be vocalized
 - i) Examples
- d) Brand Mark – Symbol, design, color, lettering
 - i) Examples

e) Trade Mark – The Legal Protection of a brand

Companies Protect their Brands

- i) Example
- f) Leading Brands

i) Examples

--Why Brand?

- g) Reason for Branding from the consumer perspective
 - i) Brands make it easy to _____ goods or service
 - ii) Brands help assure consumers of _____.
 - iii) Brands make shopping _____.
- h) Reason for Branding from the marketer's (seller's) perspective
 - i) Brands provide a _____ for promotion.
 - ii) Brands allow for recognition and _____
 - iii) Brands help to reduce the importance of _____
- i) Are the benefits worth it??
 - (1) Example
- j) Interbrands's -- 2015 Interbrand Best Global Brands

VIDEO:

Top Global Brands 2012	Top Global Brands 2013	Top Global Brands 2014	Top Global Brands 2015
1. Coca Cola	1. Apple	1. Apple	1. Apple
2. Apple	2. Google	2. Google	2. Google
3. IBM	3. CocaCola	3. CocaCola	3. CocaCola
4. Google	4. IBM	4. IBM	4. Microsoft
5. Microsoft	5. Microsoft	5. Microsoft	5. IBM

- k) Why aren't ALL products branded?
 - i) Branding brings responsibilities that some companies do not want:
 - (1) Brands require expensive _____
 - (2) Brands require maintenance of _____
 - (3) Branding does not make sense if the product cannot be physically _____

VIII. Selecting a Brand Name

- a) Good Brand name
 - i) Contributes to the product's success
- b) The Challenge
 - i) Finding a _____
 - ii) Running out of name possibilities as _____ products are launched a year!
 - iii) Many dictionaries only have 50,00 words

- c) Solutions?
 - i) Combine _____
 - ii) Use _____
- d) A Good Brand name should suggest the _____ or use of the product
 - (1) Example:
 - ii) Should be _____ to pronounce, spell, and remember
 - (1) Example:
 - iii) Should be _____
 - (1) Example:
 - iv) Should be adaptable to product line _____
 - (1) Example
 - v) Can be registered and legally protected

IX. Protecting a Brand Name

- a) Product counterfeiting
 - i) Intellectual Property Theft costs companies _____ and costs 1,000,000 jobs in the U.S.
Examples:

ii) Product Counterfeit Example:

iii) The 9 most counterfeited products in America (varies by year):

- b) Generic Use of the name
 - i) Becoming generic
Examples

- (1) No simple _____, and
- (2) _____
- ii) Protect by:
 - (1) Indicate _____
 - (2) Use brand with _____, and
 - (3) _____
- c) Online Brand Monitoring
 - i) _____
 - ii) Warning signs of Brand Counterfeiting behavior:
 - (1) _____ below acceptable levels
 - (2) Lack of good contact information
 - (3) _____ service and warranty information
 - (4) Inaccurate product descriptions
 - (5) Products sold on sites not registered to the seller
 - (6) Sites with unsecured transactions

X. Producer's Branding Strategies

- a) Producer's Own Brand
 - i) Done by _____, well financed, and well _____ firms
 - Examples: _____
- b) Branding of Fabricating Parts and Materials
 - i) The producer attempts to develop a market preference for its branded parts or materials
 - (1) Works when the product is also a _____ that is bought for replacement.
 - (2) OR when the part is _____
- c) Producing Middlemen's Brands (Private Label)
 - i) A widespread strategy _____
 - ii) The hope is that the _____ brands will appeal to loyal customers, while the cost conscious will buy the less expensive _____

XI. Middlemen's Branding Strategies

- i) The middleman may choose to only carry only the _____ Brands
 - (1) Avoids the Branding Responsibilities

- ii) May choose to carry BOTH the Producer and _____ brands.

Example:

- (1) The hope is to create _____ and to create better profit margins!

- (2) _____ say they plan to place more emphasis on private label brands.

- iii) Manufacturer Responses:

- (1) Cutting prices

- (2) Convincing consumers of their brand superiority

- (3) Pruning product lines

- (4) This sets up the "Battle of the Brands"

XII. Strategies Used by both Producers and Middlemen

- a) Branding within a product mix

- i) A _____ for each product

- ii) _____ The company name combined with a product .

- b) Branding for Market Saturation

- i)

Example

- c) Co-branding

- i) Two or more brand names on _____

- ii) Dangers

- (1) Overexposure

- (2) Risk to both brands if _____

XIII. Brand Equity

- a) The value a brand adds to a product over _____

- i) Examples:

- b) Brand Equity provides a number of benefits:

- i) It provides a _____ to buy

- ii) It is a _____ to competition
- iii) Facilitates international _____
- iv) Helps product survive a crises
- c) Brand Equity does have limits

Example:

XIV. Trademark or Brand Licensing

- a) Owner grants permission to other firm to use the brand name and brand mark on products
 - i) Benefits to owner
 - (1) _____ and
 - (2) Brand _____
 - ii) Benefits to Licensee
 - (1) Improved likelihood of new product success
 - (2) Reduced marketing costs

XV. Packaging – CNBC “The Entrepreneurs” example

- a) Jason Osborn and Jason Wright
 - i) “If the next guy can do it, I can do it better!”
- b) The “back story”
- c) The product needs a name
 - i) They came up with 20 or 25 names
 - ii) They pick “FEED.”
 - (1) It describes the product.
 - (2) It is simple.
 - (3) It stands out from the 1000’s of other products.
- d) The beginnings of a new brand are born
- e) The product gets “rave reviews.”
- f) Now, growing their business involves several steps:
 - i) Writing a business plan,
 - ii) Getting a loan,
 - iii) Incorporating
 - iv) AND
 - v) More sophisticated packaging
- g) Now it is time to give the brand a STRONGER IDENTITY

- i) You have 1 second to get the customer's attention
- ii) You want your brand BIG and MEMORABLE.
- iii) Goal: To SIMPLIFY the packaging
- h) Consult a "Branding and Identity Expert"
 - i) What is working and what is not?
 - ii) Problems:
 - (1) Hard to read
 - (2) Busy
 - (3) Image is vague
 - iii) It IS legible
- i) The NEW package:
 - i) Simple.
 - ii) Keeps true to the product idea.
 - iii) It showcases the product well.
- j) NOMINATED FOR AN AWARD FOR THE PACKAGING!
- k) And the WHOLE FOODS chain becomes interested!!

Chapter 12 -- Services Marketing

Introduction

“Ruby Tuesday Blows up Wrong Restaurant”

The Point

In SERVICES marketing, the “casual dining segment” HAS become a “sea of sameness!”

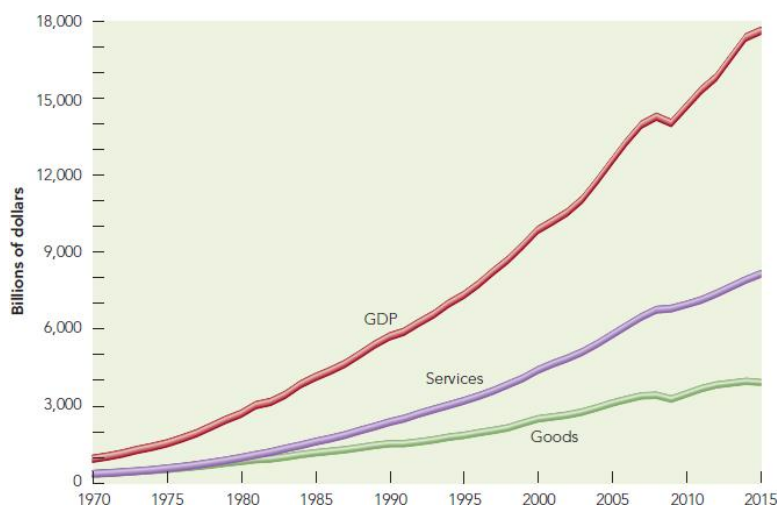
The industry is not longer providing customers with “Value.”

Taco Bell:

I. Services are a Major Factor in the U.S. economy in dollars and in jobs

a) Over _____ and _____ million jobs!

See Figure 12-1 page 320.



II. SERVICES Defined

a) Services are the _____ or _____ that an organization provides to consumers in exchange money or something else of value.

III. Increase in Services Influenced by:

a) Organizations' focus on productivity and profits

- i)
- b) Consumers' _____
 - i) Personal Shoppers
 - ii) Take out food
 - iii) House and lawn care

IV. Affecting virtually all industries:

- a) Location--ATMs, branch outlets, branch warehouses, JIT delivery
- b) Longer Business Hours
- c) Better trained sales and service people
- d) One-stop shopping
- e) Improved customer service systems (personal, phone, on-line)
- f) More information available--before, during, and after the sale
- g) ADDS VALUE beyond issues of price and product quality

V. THE UNIQUENESS OF SERVICES

- a) Four I's of Services
 - i) _____
 - (1) Services cannot be
 - (2) SO it is harder to
 - (3) Communications must make these

(4) Setting Price can be hard

ii) _____

(1) Lack of standardization;

(2) inconsistent delivery and quality depending

(3) Minimize by employee selection, training, and

(4) service performance standards.

iii) _____

(1) Simultaneous production and consumption means

(a) consumers are a part of the service process;

(b) We must manage the interaction for customer satisfaction;

(c) educate consumers about the service process and their role in it.

iv) _____

(1) Services cannot be inventoried, so it is hard to balance capacity and demand;

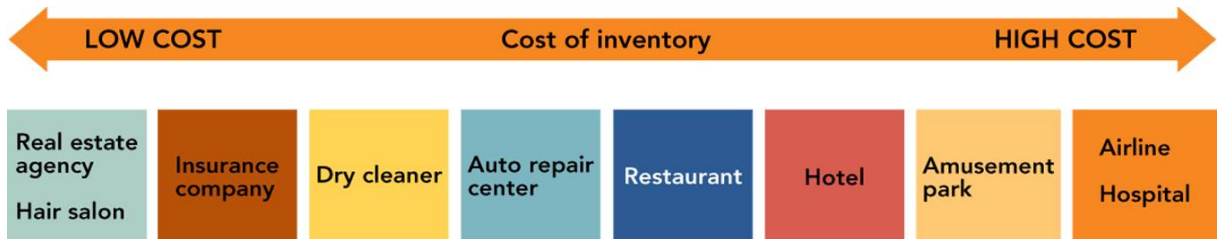
(2) cannot return service for credit or exchange;

(3) need to manage demand in peak periods; use capacity in off-periods

(4) Idle production capacity

Example: **JetSuite**

VI. Inventory carrying costs of services depend on the cost of employees and equipment



VII. Levels of Service

a) Core/Primary Services

i) The major activity of a business (or nonprofit organization).

(1) Example: Investment Services provide the use of a brokerage account to buy and sell stocks

(a)

(b)

b) Ancillary Services

i) Expected or optional supplements to the primary purchase.

(1)

(2)

ii) Ancillary Services expected in B2B marketing

(1)

(2)

(3)

VIII. Service as Value

a) Consumers & Organizational Buyers want:

- i) Quality products
- ii) Right price
- iii) Qualified Sales/Service personnel
- iv) Maximum benefits
- v) Minimum effort
- vi) Low wait times
- vii) In other words, they demand _____!

(a) Example: The Casual Dining Industry stopped providing “value”

(b) Casual Dining restaurants provide full-service, alcoholic beverages, and CHECK AVERAGES from \$10 to \$23 per person.

(c) COMPETITION from “fast-casual” chains are stealing customers

(d) Fast-casual chains have no waiters and higher quality food than fast food chains.

(i)

(ii)

(iii)

(iv)

(v)

IX. VALUE...

a) ...an intangible concept often defined in terms of

- i) exceptional _____
- ii) exceptional _____
- iii) value-based _____

(a) Example: Casual chains learn from recession

- (i) During the recession many consumers pulled back on their discretionary spending, which meant eating out at restaurants less frequently if at all.
- (ii) While economic conditions have begun to improve in the U.S., many consumers are still watching their wallets - preferring to eat at less expensive casual dining chains over pricier upscale restaurants.
- (iii) Restaurant operators were poorly positioned heading into the recession in 2008 because they had too restaurants.
- (iv) But the dining chains learned. 30,000 restaurants have closed since then and companies focused more on improving their menus, service and the atmosphere at their storefronts.
- (v) In 2007, the industry's mentality was "build it and they will come," but today successful restaurant companies are driven by a guest-centric planning process.
- (vi) That is, casual chains are returning to a "value service proposition."

X. Competitive Positioning

a) Service Image is conveyed by the firm's "service products."

- i) The dimensions used should be those valued by the customers.

(1) Example: What DO consumers want in Casual Dining?

(a) Stand for something UNIQUE

(i) Cheesecake Factory

1.

(ii) Outback

1.

(iii) Olive Garden

1.

(b) _____ Prices

(c) BETTER _____

- (i) Casual dining was initially successful because it provided better food quality than fast food, at a very reasonable price
- (ii) Recently, fast food's quality has gone UP with prices rising only slowly
- (iii) BUT, casual dining's price have risen while food quality and innovation has stagnated!
- (iv) RUBY TUESDAY is upgrading its food, but it prices are still pretty high.

(d) IMPROVED SERVICE

- 1. Slow service
- 2. Discourteous staff
- 3. Are NOT what consumers are looking for!!
 - a. Chili's is trying to cut 15 minutes from its 45-minute lunch by testing BlackBerry's that connect directly from the server to the kitchen.
 - b. Chili's is also improving its employee hiring practices
 - c. And the staff is wearing more professional looking aprons

(e) Better looking stores

- 1. Most stores are 20-years old!
 - a. Ruby Tuesday has redesigned all of its company-owned stores with contemporary designs and lighter colors.
 - b. Lone Star is replacing concrete floor with wood and is installing oak tables.
- 2. Get kid-friendly
 - a. Families are a big part of the casual dining industry's market
 - b. Could restaurants have kid playgrounds? Loaner hand held video games?

(f) 2015 Survey:



XI. Service Leadership or Follow the Leader?

- a) Will you set the service standard or wait for competitors to set the standard and then follow their lead?
 - i) Example:

XII. Benefits of Exceptional Customer Service

- a) 5 Tips for Providing Excellent Customer Service
 - i) Provide Multiple Lines of _____
 - ii) Respond _____ and Thoroughly
 - iii) Walk a Mile In Your _____ Shoes
 - iv) Ask for Feedback
 - v) Focus on the Relationship, Not the Sale
- b) Exceptional Customer Service can _____ from Competitors
 - i) Services attract & keep customers
 - ii) Services and recover lost sales
 - iii) Service quality is related to customer satisfaction
 - iv) Customer Service usually leads to a profitable ROI in the long term

XIII. HOW CONSUMERS PURCHASE/EVALUATE SERVICES

a) The Purchase Process

i) _____ Properties

(1) What consumers can judge prior to the purchase

(a) Price, location, appearance of physical facilities, paperwork, interactions with the service provider's staff

ii) _____ Properties

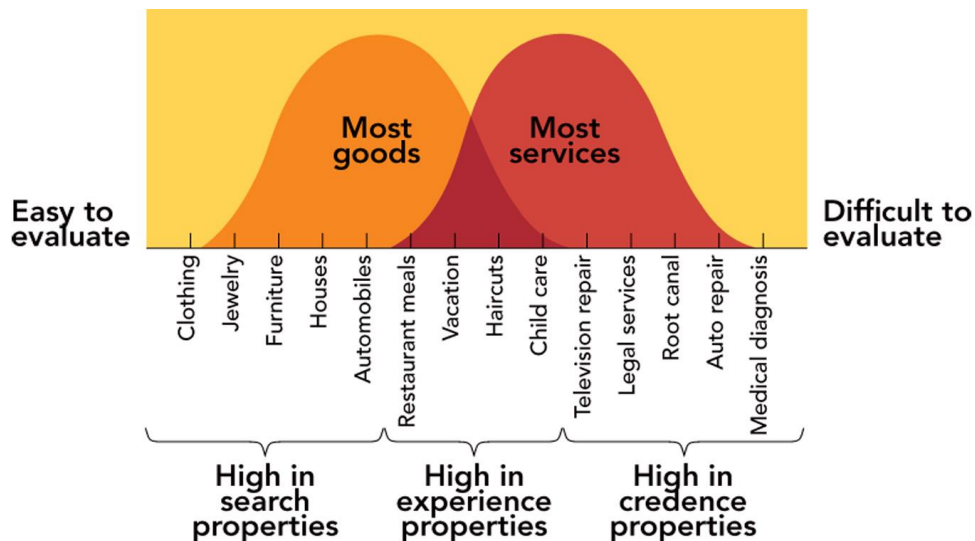
(1) Attributes discernable only during or after the service experience

(a) Physical comfort; staff concern

iii) _____ Properties

(1) Attributes inferred from a subjective evaluation of the entire process.

XIV. Consumers use search, experience, and credence properties to evaluate services (Figure 12-5. Page 308)



--Exceptional Customer Service Seminar

XV. The Service Design Process

- a) Customer Targets
 - i) What do they want?
- b) Nature of the Service
 - i) Complex (medicine, investments) = substantial support services and highly qualified customer contact people
- c) Pricing?
 - i) Who is the target?
 - (1) How much and how often do they buy?
 - ii) What is the type of service?
 - iii) Can a fee be “justified?”
- d) Pricing--Costs
 - i) Wages
 - ii) Physical facilities
 - iii) Technology & Equipment
 - iv) Honoring warranties and guarantees
- e) Degree of Complexity/Uncertainty
 - i) When complex, customers may need extensive sales assistance, demonstrations, service guarantees, after sale assistance, pre-purchase information
- f) Marketer's Resources

- i) Smaller marketers may need to outsource some customer services to save costs (pros and cons to this).
- ii) When to use customer service outsourcing (http://www.buyerzone.com/marketing/call_center/tmm-customer-service-outsourcing.html)
 - (1) Significant growth
 - (2) Save money
 - (3) Testing and learning
 - (4) Variable volume
 - (5) Business model shifts
- g) Number of Services
 - i) Focus on services which make a difference in consumers' purchase decisions
 - ii) Remember, customers may be willing to pay some or all of the cost of desired services
- h) Level of Service
 - i) Full service to self-serve?
 - (1) What does your market/target customer call for?
 - (2) What can you support?

XVI. Service Delivery

- a) Top-management commitment
- b) Treat EMPLOYEES as Internal Customers
- c) View Service as a "Performance"
- d) Ensure Service Recovery

- i) When errors occur---fix 'em!

XVII. Successful Service Recovery

- a) Know the costs of _____
 - i) For every customer who bothers to complain, there are _____
 - ii) The average “wronged” customer will tell _____
 - iii) 91% of unhappy customers will never purchase services from you again.
 - iv) It costs about _____ as much to attract a new customer as it costs to keep an old one.
 - v) Each one of your customers has a circle of influence of 250 people or potential customers who hear bad things about you!
 - (1) Example: Two Outback Steakhouse EX-customers have not been back since a server and a manager argued with them very publically about how a steak was cooked!!

Bad service =

 - Loss of _____ loyal customers
 - Loss of _____ customers who hear bad things _____ of gaining replacement customers
 - Loss of profit
 - Loss of reputation
 - Loss of employees due to poor morale!!

- b) Listen to the customer--get them to talk
- c) Anticipate potential failures
- d) Act fast
- e) Train employees

- f) Empower the front line
- g) Close the Loop--get back to the customer

Video: Chef Ramsey's Cardinal Rule

1. Chef Ramsey helps a restaurant by revamping the menu and the layout.
2. The owners book TWO seatings for mother's day.
 - a) A table of 19, 15, 14 all coming at the same time!
 - b) The Kitchen is overwhelmed!
3. The owner's must learn a "_____:"
4. Put the _____, make them feel really special, and build a sense of _____!
5. These customers have waited 1.5 hours!
6. Remember, "Unhappy customers _____!!"
7. An excellent lesson whether selling a Service OR a product!!