<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Topic</th>
<th>Readings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Lecture 1 – Introduction and Customer Value &amp; Marketing</td>
<td>Chapter 1</td>
</tr>
<tr>
<td></td>
<td>Tue 8/30</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Thu 9/1</td>
<td>Lecture 2</td>
<td></td>
</tr>
<tr>
<td>Week 2</td>
<td>Tue 9/6</td>
<td>Lecture 3 – Marketing/Organizational Strategies</td>
<td>Chapter 2</td>
</tr>
<tr>
<td></td>
<td>Thu 9/8</td>
<td>Lecture 4 – The Marketing Environment</td>
<td>Chapter 3&lt;br&gt;Add/drop ends September 12</td>
</tr>
<tr>
<td>Week 3</td>
<td>Tue 9/13</td>
<td>Lecture 5 – Ethical and Social Responsibility</td>
<td>Chapter 4</td>
</tr>
<tr>
<td></td>
<td>Thu 9/15</td>
<td>Lecture 6 – Consumer Behavior 1</td>
<td>Chapter 5</td>
</tr>
<tr>
<td>Week 4</td>
<td>Tue 9/20</td>
<td>Lecture 7 – Consumer Behavior 2</td>
<td>Chapter 5</td>
</tr>
<tr>
<td></td>
<td>Thu 9/22</td>
<td>Lecture 8 – Organizational Buying</td>
<td>Chapter 6</td>
</tr>
<tr>
<td>Week 5</td>
<td>Tue 9/27</td>
<td>Lecture 9 – Global Consumers &amp; Markets</td>
<td>Chapter 7</td>
</tr>
<tr>
<td></td>
<td>Thu 9/29</td>
<td>Lecture 10 – Marketing Research</td>
<td>Chapter 8</td>
</tr>
<tr>
<td>Week 6</td>
<td>Tue 10/4</td>
<td>Lecture 11 –</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Thu 10/6</td>
<td>Lecture 12 – Segmentation</td>
<td>Chapter 9</td>
</tr>
<tr>
<td>Week 7</td>
<td>Tue 10/11</td>
<td>Lecture 13 – New Products</td>
<td>Chapter 10</td>
</tr>
<tr>
<td></td>
<td>Thu 10/13</td>
<td>Lecture 14 – Managing Products and Brand</td>
<td>Chapter 11</td>
</tr>
<tr>
<td>Week 8</td>
<td>Tue 10/18</td>
<td>Lecture 15 –</td>
<td>Chapter 11</td>
</tr>
<tr>
<td></td>
<td>Thu 10/20</td>
<td>Lecture 16 – Managing Services</td>
<td>Chapter 12</td>
</tr>
<tr>
<td>Week 9</td>
<td>Tue 10/25</td>
<td>Lecture 17 – Building the Price Foundation</td>
<td>Chapter 13</td>
</tr>
<tr>
<td></td>
<td>Thu 10/27</td>
<td>Lecture 18 – Arriving at the Final Price</td>
<td>Chapter 14</td>
</tr>
<tr>
<td>Week 10</td>
<td>Tue 11/1</td>
<td>Lecture 19 – Managing Marketing Channels and Wholesaling</td>
<td>Chapter 15 Course withdrawal deadline 11/7 “W” grade is assigned</td>
</tr>
<tr>
<td>---------</td>
<td>----------</td>
<td>--------------------------------------------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Thu 11/3</td>
<td>Lecture 20 --</td>
<td>Chapter 16</td>
</tr>
<tr>
<td>Week 11</td>
<td>Tue 11/8</td>
<td>Lecture 21 – Customer Driven Supply Chains</td>
<td>Chapter 16</td>
</tr>
<tr>
<td></td>
<td>Thu 11/10</td>
<td>Lecture 22</td>
<td>Chapter 16</td>
</tr>
<tr>
<td>Week 12</td>
<td>Tue 11/15</td>
<td>Lecture 23 – Retailing</td>
<td>Chapter 17</td>
</tr>
<tr>
<td></td>
<td>Thu 11/17</td>
<td>Lecture 24</td>
<td>Chapter 17</td>
</tr>
<tr>
<td>Week 13</td>
<td>Tue 11/22</td>
<td>Lecture 25 – Integrated Communications</td>
<td>Chapter 18</td>
</tr>
<tr>
<td></td>
<td>Thu 11/24</td>
<td>THANKSGIVIGNG RECESS, November 23 to 27 – NO CLASSES</td>
<td>Chapter 18</td>
</tr>
<tr>
<td>Week 14</td>
<td>Tue 11/29</td>
<td>Lecture 26 –</td>
<td>Chapter 18</td>
</tr>
<tr>
<td></td>
<td>Thu 12/1</td>
<td>Lecture 27 – Advertising, Sales, &amp; PR</td>
<td>Chapter 19</td>
</tr>
<tr>
<td>Week 15</td>
<td>Tue 12/6</td>
<td>Lecture 28 –</td>
<td>Chapter 20</td>
</tr>
<tr>
<td></td>
<td>Thu 12/7</td>
<td>Lecture 29 – Personal Selling &amp; Sales Management</td>
<td>Chapter 20</td>
</tr>
<tr>
<td>Finals Week</td>
<td>Monday 12/12 to Friday 12/18</td>
<td>Take the exam in the College computer labs or other approved testing center. Bring your KSU ID, textbook, and lecture notes with you.</td>
<td>Comprehensive Final</td>
</tr>
</tbody>
</table>
Preliminary Mini test Schedule

<table>
<thead>
<tr>
<th>Mini Test</th>
<th>Opens not later than 5 p.m.</th>
<th>CLOSES at 11 p.m.</th>
<th>Covers Lectures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Saturday 9/3</td>
<td>Sunday 9/18*</td>
<td>1, 2</td>
</tr>
<tr>
<td>2</td>
<td>Saturday 9/10</td>
<td>Sunday 9/18*</td>
<td>3, 4</td>
</tr>
<tr>
<td>3</td>
<td>Saturday 9/17</td>
<td>Sunday 9/25</td>
<td>5, 6</td>
</tr>
<tr>
<td>4</td>
<td>Saturday 9/24</td>
<td>Sunday 10/2</td>
<td>7, 8</td>
</tr>
<tr>
<td>5</td>
<td>Saturday 10/1</td>
<td>Sunday 10/9</td>
<td>9, 10</td>
</tr>
<tr>
<td>6</td>
<td>Saturday 10/8</td>
<td>Sunday 10/16</td>
<td>11, 12</td>
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<tr>
<td>7</td>
<td>Saturday 10/15</td>
<td>Sunday 10/23</td>
<td>13, 14</td>
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<tr>
<td>8</td>
<td>Saturday 10/22</td>
<td>Sunday 10/30</td>
<td>15, 16</td>
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<tr>
<td>9</td>
<td>Saturday 10/29</td>
<td>Sunday 11/6</td>
<td>17, 18</td>
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<tr>
<td>10</td>
<td>Saturday 11/5</td>
<td>Sunday 11/13</td>
<td>19, 20</td>
</tr>
<tr>
<td>11</td>
<td>Saturday 11/12</td>
<td>Sunday, 11/20</td>
<td>21, 22</td>
</tr>
<tr>
<td>12</td>
<td>Saturday 11/19</td>
<td>Tuesday, 11/29</td>
<td>23, 24</td>
</tr>
<tr>
<td></td>
<td>11/23 to 11/27 Thanksgiving</td>
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<tr>
<td>13</td>
<td>Tuesday, 12/6</td>
<td>Sunday 12/11</td>
<td>25, 26, 27</td>
</tr>
<tr>
<td></td>
<td>No quiz for last week</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please note that this refers to the LECTURES covered by the exams. The Preliminary Class Schedule shows the CHAPTERS which are targeted for each lecture (subject to modification as needed).

Mini tests are normally available the Saturday after the material is covered in class (by 5 p.m.) for a minimum of nine days. The expiration 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.

*No mini tests will expire until after the 2nd week drop/add deadline (September 12th). This allows students who add the class an opportunity to catch up and gives students who are having problems accessing the tests time to work out the bugs.
Preliminary ELEC Schedule

<table>
<thead>
<tr>
<th>ELEC</th>
<th>Opens not later than 5 p.m.</th>
<th>CLOSES at 11 p.m.</th>
<th>Opens in:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Wednesday 9/21</td>
<td>Tuesday 9/27</td>
<td>Week 4</td>
</tr>
<tr>
<td>2</td>
<td>Wednesday 9/28</td>
<td>Tuesday 10/4</td>
<td>Week 5</td>
</tr>
<tr>
<td>3</td>
<td>Wednesday 10/5</td>
<td>Tuesday 10/11</td>
<td>Week 6</td>
</tr>
<tr>
<td>4</td>
<td>Wednesday 10/12</td>
<td>Tuesday 10/18</td>
<td>Week 7</td>
</tr>
<tr>
<td>5</td>
<td>Wednesday 10/19</td>
<td>Tuesday 10/25</td>
<td>Week 8</td>
</tr>
<tr>
<td>6</td>
<td>Wednesday 10/26</td>
<td>Tuesday 11/1</td>
<td>Week 9</td>
</tr>
<tr>
<td>7</td>
<td>Wednesday 11/2</td>
<td>Tuesday 11/8</td>
<td>Week 10</td>
</tr>
<tr>
<td>8</td>
<td>Wednesday 11/9</td>
<td>Tuesday 11/15</td>
<td>Week 11</td>
</tr>
<tr>
<td>9</td>
<td>Wednesday 11/16</td>
<td>Tuesday 11/22</td>
<td>Week 12</td>
</tr>
<tr>
<td>10</td>
<td>Wednesday 11/30</td>
<td>Tuesday 12/6</td>
<td>Week 13</td>
</tr>
</tbody>
</table>

- Three attempts for each ELEC. Each is worth up to .3% added to your final course grade.
- Unlike the mini-tests, for the ELEC’s I will record your best grade (for the mini-tests, I record the grade on you LAST attempt).
- 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 an ELEC will add .3% TO YOUR FINAL GRADE.
- For the 10 assignments you can earn up to a total of a 3% INCREASE in your course grade!!

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/](http://online.sfsu.edu/~robertbc/)). Many thanks to Dr. Robertson for pioneering this method of delivery.
Introduction to Marketing 25010

I) Initial Background information
   a) The Professor and his contact information

   b) Office Hours:

   c) Instructor's website: http://www.personal.kent.edu/~lmarks

   d) The required textbook

   e) McGraw-Hill Connect Plus
      http://connect.mcgraw-hill.com/class/l_marks_2011_fall_semester

   f) Lecture Notes
      i) Why?
      ii) Where they are available

II) Prerequisite 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) Developed quantitative and qualitative analytical skills to apply marketing concepts, theories, and tools to solve marketing problems;
   e) An appreciation for the global and ethical aspects of marketing.
IV) Content Delivery

a) Delivered both …
b) Testing during the semester:
c) Final Exam:

V) Class Website (http://vista8.kent.edu)

a) Important Items to Check Regularly
   i) Announcements
   ii) Calendar
   iii) Discussions
   iv) Mail
   v) My Grades
   vi) The Point:

b) The discussion boards
   i) *Marketing Tech Talk*
   ii) *Marketing In Action*
   iii) *Textbook Issues*
   iv) *Mini-test Issues*
   v) Extra Credit and CONNECT ELEC Issues

c) Other Vista 8 Folders
   i) Information about the 2011 Fall Class
   ii) 2011 Fall MKTG 25010 Syllabus
   iii) Lectures and Lecture Notes
iv) Testing Folder

v) Review Tests

VI) Grading is based on
a) 8 "mini" exams ( % of the final grade), and
b) a comprehensive final examination ( % of the final grade).
c) PLUS any

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

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:
(a) because 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).

VII) Policies
A. Students attending the course who do not have the proper prerequisite risk being deregistered from the class.
B. Students have 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 two weeks 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 Sunday, September 11, 2011 to make corrections (UPO advisement offices close FRIDAY at 5 p.m.). 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 2011, the course withdrawal deadline is Sunday, 11/6/2011. If you need advising assistance, you will need to contact an advisor before Friday, 11/4/2011 as our advising offices are not open on the weekend.

E. University policy 3342-3-01.3 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).

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.
VIII) Calculating your final grade -- The Grade Calculator at http://www.personal.kent.edu/~lmarks/MKTG25010/gradecalculator.xls or available from Vista 8.0 as a click in the Testing Folder.

IMPORTANT NOTE ABOUT THE FINAL COURSE GRADE: Once we get to finals week, all mini-tests and extra credit opportunities will have been closed. Do them before their deadlines. Once the final is taken, your Final Course Grade is calculated using the above formula. 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.

IX) About the Mini Tests
   a) Type of exam:
   b) Source of questions:
   c) Coverage:
   d) Number of mini-tests:
   e) Available:
   f) Number of Questions:
   g) Time Limit:
   h) Number of Attempts:
   i) Which score COUNTS for your grade: The score from the last test taken is the one that counts for your grade.
   j) First mini-test available until:
   k) Make up policy:
   l) Warning 1:
   m) Warning 2:

Is this guy for real?? Comments from others…
X) Cautions
   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) Final Exam
   a) What it covers and what you can use:

   b) What it is
   c) When and where it is taken
      • MUST be taken in the College of Business computer labs during finals period, (or at an approved testing center) during Monday through Friday of finals week.
   d) About Identification at the final
   e) Make up policy
      • “Who does better?”

XII) To Succeed in the class:
   a) Mini tests
   b) Practice tests
   c) For the final

XIII) Classroom Policies
   a) Attendance
   b) Classroom Expectations
      o Participation
      o Distractions and Electronics
      o Harrassment
   c) Vista 8.0 Class site
   d) Questions
   e) Courtesy
   f) International Students for whom English is a second language
   g) University Closings

XIV) Communications Policy
   a) How to communicate “officially”
      Vista 8.0 e-mail or to lmarks@kent.edu
      IMPORTANT NOTES: 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
XV) Extra Credit
   a) CONNECT Enhanced Learning Extra Credit (ELECs)  [http://connect.mcgraw-hill.com/class/l_marks_2011_fall_semester](http://connect.mcgraw-hill.com/class/l_marks_2011_fall_semester)

   b) Research as Extra Credit

XVI) The Class Schedule, the Mini Test Schedule, and the ELEC schedule are in the class syllabus available on Vista 8.

XVII) Our Guest Faculty
   a) Who
   b) To show:
   c) And to provide:
   d) 

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

<table>
<thead>
<tr>
<th>NAME</th>
<th>Title</th>
<th>“Type of Organization”</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.Tim Apel</td>
<td>Family Entrepreneur--Product</td>
<td></td>
</tr>
<tr>
<td>2.Don Kosec</td>
<td>Business to Business (B2B)--Service</td>
<td></td>
</tr>
<tr>
<td>3.Rob Felber</td>
<td>Entrepreneur--Service</td>
<td></td>
</tr>
<tr>
<td>4.Fred Hunt</td>
<td>Business to Business--Product</td>
<td></td>
</tr>
<tr>
<td>5.Dan Muller</td>
<td>Business to Business—Industrial Product</td>
<td></td>
</tr>
<tr>
<td>6.Michele Skinn</td>
<td>Not for Profit Foundation--Service</td>
<td></td>
</tr>
<tr>
<td>7.Gary Trinetti</td>
<td>Entrepreneur—Product</td>
<td></td>
</tr>
<tr>
<td>8.Jim Wise</td>
<td>Retail Franchise--Product</td>
<td></td>
</tr>
</tbody>
</table>
Chapter 1: Creating Customer Relationships and Value Through Marketing

I) What IS Marketing?

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.”
      http://www.marketingpower.com/ResourceLibrary/MarketingNews/Pages/2008/42/1/MN1
   b) Some controversy about the definition:

   Kosec...Importance of Marketing to Time Warner Business Services
   i) Collect
   ii) Helps to
   iii) Use research and tools to
   iv) Through

c) Marketing seeks to:
   i) Discover
   ii) Satisfy
   iii) At a
   iv) Through an

d) It involves the idea of

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, page 6, Figure 1-2, A marketing department relates to many people, organizations, and environmental forces)

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

   i)  
   
   ii) 
   
   iii) 
   

e) The Point…only

IV) Requirements for Marketing to Occur

   a) Two or more

   b) Each must have

   c) They need to

   d) Each party must
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,

   b)

   c)

VI) Needs and Wants
   a) Consumer NEEDS come from

   i) These are

   b) Consumer WANTS are ways to

VII) What is a Market?
   a) The MARKET is the

   b) Implications of the definition (MAD)
      i)

      ii)

      iii)

VIII) Marketing seeks to discover then satisfy consumer needs through research and a marketing program (see text, page 10, Figure 1-3, 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

X) The Marketing Mix

a) The Marketing Mix represents

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

XII) Satisfaction through Value
   a) Customer Value 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.

Tim Apel – AAA Mobile Homes on “Creating Value”
   a) 
   b) 
   c) 
   d) 
   e) 

   b) Example of “Satisfaction through Value”

XIII) Value Strategies
   a) Best
b) Best

c) Best

d) What is “BEST?”

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

Fred Hunt…Delivering VALUE to the customer at Sherwin Williams

i) Value IS

ii) the way to

iii) The PRODUCTS may be

iv) 

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.
i) Be a

ii) Be an

iii) Be there

iv) Provide them


a) Production concept
   i) Assumes

   ii) Implies

   iii) Useful when

       (1)

       (2)

b) Product Concept
   i) Assumes

   ii) Implies

   iii) Places the focus on

c) Selling Concept
i) Assumes

ii) Useful for

(1)

(2)

d) The Marketing Concept

i) Assumes that achieving the organization’s goals depends on

ii) An organization should seek to make a profit by

Muller..how we create value for our customers at Timken

a) Our Vision =

b) For example,

c) Using our

d) BEYOND just

iii) The Marketing Concept -- Three parts to the concept:

(1)
MICHELLE SKINN – What is Marketing?

a) Understanding

b) It is not about

c) How can you

d) NOTES:

(1) Firms must identify and satisfy

(2) Competition FORCES sellers to

(3) Consumers must be seen in the context of

e) The Societal Marketing Concept

i) Assumes that customer satisfaction should be delivered in a way that

ii) Relates to the Ethics of doing business

f) The Customer Relationship Era

i) 

ii)
XVI) Marketing and:
a) Synergy
   i) Managers must create marketing tactics that

   ii) They must

b) Hypercompetition
   i) Competitive Advantages

   ii) Changes

c) Cross Functional Decision Making Teams

XVII) The Breadth and Depth of Marketing

a) Who Markets?
   i) Manufactures
   ii) Retailers
   iii) Service Providers
   iv) Nonprofit Organizations
   v) Government
   vi) And YOU!

b) What is Marketed?
   i) Products
   ii) Services
   iii) Ideas
   iv) Places
   v) People

VIDEO Commercial EXAMPLES – Who is Marketing? What is being Marketed?
c) Who Buys?
   i) Organizations
   ii) Ultimate Consumers

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)

   ii)

   iii)

   iv)

(Additional Information)
   • The role of the Chief Marketing Officer

Chapter 2: Developing Successful Marketing and Organizational Strategies

I) Strategic Planning

II) Corporate Strategy
  - Corporate strategy is used by ALL firms, whether profit or non-profit, manufacturer or service, entrepreneurship or a global corporation.

III) Marketing Strategy
  a) Selecting and analyzing a
  b) Creating and maintaining an
  c) Deliver a
  d) While Achieving
  e) Profit vs. nonprofit organizations and strategy…

IV) Three levels of Strategy in Organizations
  a) The “ “ level

![Diagram of strategy levels](image-url)
b) The ““ level

c) The Functional or Departmental level

(see text page 27, 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

b) Strategic Business Units (SBU’s)
   i.

   ii. Selling a

   iii. Operate in markets that

   iv. So, planners must be

VI) Functional/Department 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 intent 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

iii. NEW:
iv. For customers who are

v. REMEMBER:

d) Time-Warner Example

- Our Mission
  Time Warner Cable is committed to making itself the company people choose for in-home entertainment, communications and information, because we deliver superior customer care and quality products that create the best possible customer experience.
- Our Values
  Creativity -- We thrive on initiative and originality - encouraging risk-taking and divergent voices.
  Customer Focus -- We value each of our customers - putting their needs and interests at the center of everything we do.
  Agility -- We move quickly - embracing change and seizing new opportunities.
  Teamwork -- We treat each other with respect - creating value by working together within and across our businesses.
  Diversity -- We attract and develop the world's best people and talent - seeking to include the broadest range of people and perspectives.
  Integrity -- We rigorously uphold editorial independence and artistic expression - earning the trust of our readers, viewers, listeners, members and subscribers.
  Responsibility -- We work to improve our communities - taking pride in serving the public interest as well as the interest of our shareholders.

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

i.
ii.
iii.
iv.
v.

(1) Time Warner Business Services Goal is to

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)

     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

<table>
<thead>
<tr>
<th>Market Growth Rate</th>
<th>Market Dominance</th>
</tr>
</thead>
</table>
a) Cash Cows
   i. Dominant in Low Growth Market
      (1) Low
      (2) Strong
      (3) Generate
      (4) Do NOT require
      (5) Profits flow to

b) Dogs
   i. Low Market Share in Low Growth Market
      (1) Low
      (2) Weak
      (3) Typically, generate
      (4) Not a good candidate for

c) Problem Children
   i. Low Market Share in High Growth Market
      (1) High
      (2) Weak
      (3) Typically, require

d) Star
   i. Dominant in High Growth Market
      (1) High
      (2) Profitable, but
      (3) Requires
      (4) Will be
Example -- The BCG MODEL and Coca-Cola

XIII) Product Portfolio Models – The Directional Policy Matrix

<table>
<thead>
<tr>
<th>Market Attractiveness</th>
<th>Competitive Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>STRONG</td>
</tr>
<tr>
<td>HIGH</td>
<td>Maintain Leadership</td>
</tr>
<tr>
<td></td>
<td>Challenge the Leader</td>
</tr>
<tr>
<td></td>
<td>Overcome, Niche, or Quit</td>
</tr>
<tr>
<td>Medium</td>
<td>Challenge the Leader</td>
</tr>
<tr>
<td></td>
<td>Manage for Earnings</td>
</tr>
<tr>
<td>low</td>
<td>Cash Generator</td>
</tr>
<tr>
<td></td>
<td>Harvest</td>
</tr>
<tr>
<td></td>
<td>Divest</td>
</tr>
</tbody>
</table>

XIV) Tracking Strategic Directions with Marketing Dashboards

a) What are they?
   1. 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

b) But,

c) How many

d) Where

e) Did they

f) Did we

g) Dashboards make it

b) iDashboards – Driving Business Decisions (http://www.idashboards.com/)

Example – Using Dashboards at Don Joseph Toyota for Media Effectiveness

c) Using data to

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 techniques
   b When you talk strategy,
   c From the analysis you can

b) ACTIONS based on SWOT:

<table>
<thead>
<tr>
<th>Type of Factor</th>
<th>Location of Factor</th>
<th>FAVORABLE</th>
<th>UNFAVORABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Internal</td>
<td>Strength</td>
<td>Weakness</td>
</tr>
<tr>
<td></td>
<td>External</td>
<td>Opportunity</td>
<td>Threat</td>
</tr>
</tbody>
</table>

c) Market-Product Focus and Goal Setting
   i. Market Segmentation
      (1) IDENTIFY groups of buyers who (a) have common needs and (b) will respond differently to a marketing effort
   ii. Target Marketing
       (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)

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

e) See Text page 42, 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) SharePoint is used to create

b) Available
c) Reviewed in
d) Everyone goes through
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) 
      ii) 

II) Environmental Factors Affecting the Organization

III) Social Forces
   a) Factors in a society that bring about changes in attitudes, beliefs, norms, customs and lifestyles.
      i) These affect

IV) Demographics
   a) A population’s characteristics such as age, gender, ethnicity, income, and occupation.
      i) World POPClock  [http://www.census.gov/population/popclockworld.html](http://www.census.gov/population/popclockworld.html)

b) Generational Cohorts (from the text)
   i) Baby Boomers: 1946-1964
   ii) Generation X: 1965-1976
iv) Millennials: 1995+
v) Generational Marketing

V) Social Forces
   a) Marital Status
   b) Cohabitation
   c) Blended Family
   d) All Brought together in…..The Lifestage Analytic Matrix

The Seven American Cohorts
1. Depression Cohort -- Aged 90-100 in 2011.
2. World War II Cohort -- Aged 84-89 in 2011.


--Engage Boomers


Video: Don Kosec – The Impact of Generation Preferences (and Technology)

8. PLUS the newest cohort – Generation Z --Aged new born to 15 in 2010.

e) Racial and Ethnic Diversity
f) Cultural Trends
   i. Green Marketing!
   ii. And…

VI) Economic Forces
   a) Economy
      i) The factors relating to income, expenditures, and resources that affect
         the cost 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/community_data/index.html
   d) Audio Example: The response of FORD to the economic slowdown

Video: Rob Felber, Felber & Felber’s Response to Economic Forces
   a) We have
   b) This one
   c) We learn
   d) And we need

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
3. …and then
4. Teaching Point:

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 comes from

b) Alternative Forms of Competition
   i) Pure Competition
      (1) Large number of sellers
      (2) Similar Products
      (3) Distribution is very important
   ii) Monopolistic Competition
      (1) Large number of sellers
      (2) Products are unique, but substitution can occur
      (3) Pricing is important
   iii) Oligopoly
      (1) A few large competitors
      (2) Products are relatively similar
      (3) Promotion is the key to demonstrate product differences
   iv) Pure Monopoly
      (1) A single producer
      (2) A unique and unsubstitutable product
      (3) The marketing mix is not an important factor

c) Types of Competition
   • Consumers have
   • Companies compete for
i) At the Brand level -- Brand Competition
Selling the same type of product that you do (Toyota or Ford?)

ii) At the Product level -- Substitute Product Competition
Offers consumers a choice of how to spend their dollars within a broad
product category (Football or Concert?)

iii) At the Company level -- Every Company/Spending Opportunity
Given limited discretionary income, consumers must decide whether to
save, donate, or spend on a variety of possible products/services

iv) HOW does a firm successfully compete?
   (1) By striving to gain and maintain a _________________________

   ________________________________

   (2) Having gained it,

   d) Response to Competitive Trend
      Audio Example -- Italy “allows” wine in boxes!! What changed their
minds?

      (1) Realization that

      (2) Boxed wine is

      (3) NOT for the

      (4) Northern Europe is

      (5) In the U.S.

      (6) It is ______________________ to produce

IX) Political and Legal Forces
   a) Monetary and Fiscal Policies
      • Government Spending
b) Social Legislation and Regulation
   • Antipollution Laws

c) To Regulate Competition
   • Rules on monopolies and restraint of trade

d) To Protect Consumer
   • Regulation of Food and Drug Labels
Chapter 4: Ethical and Social Responsibility in Marketing

I) Ethics
   a) The Moral Principles and Values 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.

III) Business Ethics: WHO NEEDS IT?
   a) “NO ONE” Because:
      i) It’s religion, not business.
      ii) Our people ARE ethical.
      iii) It’s for philosophers.
      iv) It’s Obvious--"Do Good"
      v) It’s preaching
      vi) It’s just a recent fad.
      vii) Ethics can’t be managed.
      viii) It’s the same as “social responsibility.”
      ix) If a firm is not in legal trouble, it’s ethical.
      x) Managing ethics has little practical relevance.
   b) Well, maybe....BUT
      i) Nestle’s -- Infant formula
      ii) Beech-Nut -- watered apple juice
      iii) Manville -- asbestos & employees
      iv) E.F. Hutton -- kiting scheme
      v) Union Carbide -- Bhopal, India
      vi) Enron -- Conflicts of Interest
      vii) Worldcom/MCI -- Inflated Accounting Reports
      viii) Martha Steward -- Insider Trading
      ix) Bernie Madoff -- First Jail, Then Bankruptcy for Madoff
      x) Nike -- Questionable Hiring Practices

   (1) The Background
      (a)
      (b)
      (c)

   (2) Corrective Behavior
      (a)
      (b)
      (c)

IV) Figure 4-1 (text page 92) Four ways to classify marketing decisions according to ethical and legal relationships
a) Unethical AND Illegal – DUH!

<table>
<thead>
<tr>
<th>Ethical</th>
<th>Legal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illegal</td>
<td>Legal</td>
</tr>
</tbody>
</table>

b) Ethical AND Legal – Okay to consider

c) Ethical but Illegal?

d) Ethical but Illegal?

e) Unethical but Legal?

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)________________________

VI) High Prices
a) Causes:
   i) High costs of _____________________ and ___________________
   ii) High _____________________ and ___________________ Costs

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

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?

f) Harm Business / Buyer Beware

VIII) High-Pressure Selling
   a) Some people are trained to deliver
      i) High-pressure selling persuades people to
      ii) High-pressure selling can occur because
   b) It DOES happen
   c) BUT, it is not “standard business practice”
      i) High-pressure selling

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 ____________________________.

Example -- Wal-Mart Pulling Children's Jewelry With Toxic Metals
Example – Lead Paint on Toys made in China
Example – Salmonella problems in the food supply

d) HELP for consumers via the Consumer Product Safety Commission
   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

ii) Get

iii) The result

X) Planned Obsolescence
   a) Products needing replacement before they should because they are obsolete
   b) Producers who influence consumer concepts of acceptable styles
   c) Intentionally holding back attractive functional features, then introducing them later to make old model obsolete.
   d) The case of the Apple iPhone

XI) Poor Service to Disadvantaged Consumers
   a) Poor are forced to shop in smaller stores where they pay more for inferior 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 imprecise and reaches outside target segment,
   b) But, advertising keeps the cost of radio and television free and
   c) Consumers can opt for technologies or media that reduce or eliminate ads
XIII) Questionable Judgments in Advertising
   a) Provocative ads for Clearasil have parents upset.
   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

e) GoDaddy.com
   i) Do you like their Super Bowl ads?
      (1)
      (2)
      (3)
      (4) Bottom line is--

XIV) Management’s Response to the need to be ethical
   a) Corporate Culture
   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
      ii) We want
      iii) MCI
      iv) Sarbanse-Oxley
      v) Ethics starts
   f) Video: Hunt on Ethics – It all starts at the top
      i) Based on my experience
ii) At Sherwin-Williams

iii) As a result,

XV) Good ethics IS Good Business
   a) For shareholders
   b) For Employees
   c) For business partners
   d) For Customers/ Clients
   e) And for Society!

XVI) AMA Ethics Statement
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 __________________________
   c) or your ____________________________
   d) Understand their motivation and then __________________________

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

Comments:
III) The Purchase Decision Process Consists of Five Stages

a) Problem Recognition

b) Search

c) Alternative Evaluation

d) Choice

e) Outcomes

IV) Purchase Decision Process Stages – Problem Recognition

a) A perception that there is a difference between the

b) Influenced by:
   i) Internal needs and ______________, and by
   ii) ______________, which can activate Problem Recognition through marketing communications which highlight
      (1)
      (2)

V) Purchase Decision Process Stages – Information Search

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

b) Then, we may search ________________, including:
   i)
VI) Purchase Decision Process Stages – Alternative Evaluation

a) HOW will the consumer ________________________________

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:

d) Consumers use their ____________________ to compare the alternatives in their CONSIDERATION SET (also called the ________________ )

e) 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 ____________________ (_________________________)

![Decision Tree Diagram]
VII) Purchase Decision Process Stages – Alternative Evaluation – Belief, Attitudes, and Purchase Intention

a) As they evaluate the brand choices, consumers form _____________ and _________________.

b) The result is ________________ 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 ________________________

Example:
d) Marketers help MINIMIZE dissonance by:
   i) Reassuring consumers they made the right choice and minimizing product misuse through
   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:
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 on Consumer Decision Making – Motivation
   • Link to our model of Consumer Behavior
   a) Maslow’s Hierarchy of Needs (see Figure 5-5, text page 123)
      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 on 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 on 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

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!
      - Examples:
   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.
It was once reported in a study that ______________ of non-smokers believed the link between smoking and lung cancer was proven;

yet only ______________ of heavy smokers accepted the link!!

- Example

f) Selective Retention
   i) People remember more accurately messages that are favorable to their __________ than messages that are unfavorable.
   ii) People remember the good things and forget the bad. Selective retention thus reinforces one’s __________.

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.

   i) 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:

      i) ______________ Risk
      ii) ______________ Risk
      iii) ______________ Risk
      iv) ______________ 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.
b) Brand Loyalty
   i) Consumers can

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 ________________

      – Body Wash example:

XVII) Psychological Influences Consumer Decision Making – Lifestyles
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

iv) Representing a

- Example: You Lookin’ at Me?

c) Family

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:

XIX) Other influences

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
      ii) RESELL
      iii) Conduct
      iv) In the past, business markets were called ____________________.

   c) Six Components of the Business Market
      i) Agriculture
      ii) Resellers who buy and sell products in essentially the same form. However, they create various utilities for other businesses, including:
         (1)
         (2)
         (3)
         (4)
      iii) Services, which are GROWING rapidly
      iv) The Government
         (1) Unique:
      v) International Trade
         http://www.census.gov/foreign-trade/statistics/highlights/top/top0912yr.html

<table>
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<tr>
<th>Total Trade – Jan to Dec –</th>
<th>Data are goods only, in billions of dollars.</th>
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<tr>
<td>Total, All Countries</td>
<td>Exports (Year-to-Date)</td>
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<td>1,056.9</td>
</tr>
<tr>
<td>Jan-Dec 2010</td>
<td>1,278.1</td>
</tr>
</tbody>
</table>
vi) “Non-business” Not-for-profit Organizations

d) Video: Muller on the Industries Timken serves
   i) Growth for Timken
   ii) Focused on Heavy Industries
      (1)
      (2)
      (3)
      (4)
      (5)
   iii) Where they can deliver value…and which are growing. For example:
      (1)
      (2)
      (3)
   iv) Compared to Automotive, 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 =
   c) Government markets – Total Number =
      --and Timken...

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.


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)

(b)

Intel Example:

ii) Elasticity of Demand

(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) It’s Importance

(1) Firms MUST __________________________________________________________

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

i) Straight Rebuy
ii) Modified Rebuy
iii) New Buy
iv) See Figure 6-3, text page 149, for the ways in which the buying situation affects the buying center

Stages in the Organizational Purchase Decision Process (See Figure 6-4, text page 151),

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

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
   - Traditional Auctions
- Reverse Auction
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 the nature of Comparative Advantage
      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?
   i. Balance of Trade
      1. The difference between the monetary value of a nation’s exports and imports
      2. US Balance of Trade…. 

   ii. Impact of the DHL (Germany) decision for Ohio

   iii. 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
   a. 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
   a. 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. Today we have 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.”

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 7-3)

vii. General Agreement on Tariffs and Trade (GATT)
   1. A treaty, NOT
   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 Development and Economic Reform (Over 3/4 of its members are developing countries)

5. Patrick Low – Chief Economist WTO
   a. The WTO is an
   b. Including _______________ nations.
   c. The WTO needs to get
   d. Regional Trade Agreements have exploded and the are a challenge to trade without
   e. The WTO agreements create an environment of
   f. They seek to create 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
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. 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

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
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:

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

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

i. Examples

1. ___________________________ Licensing

2. ___________________________ Strategic Alliance

3. ___________________________ Multinational

VI. Product Strategies

a. Product Extension -- No change
b. Product Adaptation -- Modification

c. Product Invention – Entirely NEW

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 7-7, textbook page 186)

<table>
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<tr>
<th>Promotion emphasis</th>
<th>Product Emphasis</th>
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<tbody>
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<td></td>
<td>SAME Product</td>
<td>ADAPT Product</td>
<td>Create NEW Product</td>
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<td>Same Promotion as Domestically</td>
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<tr>
<td>Adapt Promotion to Foreign Culture</td>
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IX. Distribution and Pricing

a. Channels Usually Long and Complex

b. Countries May Impose Pricing Constraints

X. Muller – Understanding Cultural Difference in Pricing

i. Timken tends to

ii. But, in pricing

iii. They had more
iv. So, they felt they need to

v. In China,

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:

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) Apple Newton

b) Sega Dreamcast

c) Sony
   i) Betamax lost to
   ii) Digital Audio Tape (DAT)

d) Microsoft
   i) Webtv
   ii) iRex Digital Reader

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

a) Step 1: ________________________________
   i) Set Objectives
      (1) The specific, measurable 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 8-3, Types of Marketing Information (text page, 204)

V. Video: Muller on Marketing Research at Timken
   • Timken does Marketing Research “both ways” (using internal marketing managers and outside firms)
• They use research to understand their market and find
• Outside firms for really big jobs
  o e.g. Wind Energy Market
• Faster, Global
• 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) Companies that collect and sell common pools of data of known commercial value designed to serve a number of clients.

b) Syndicated sources can be classified based on the unit of measurement (households/consumers or institutions).
c) Household/consumer data can be obtained from surveys, diary panels, or electronic scanner services.
d) Institutional data is obtained from retailers, wholesalers, or industrial firms.
   i) Syndicated Services: Consumer Data
   ii) Syndicated Services: Institutional Data

http://www.productscan.com/
and some internet databases useful to marketers

> Online Databases
  LexisNexis
  ProQuest

> Statistical & Financial Data
  Wall Street Journal
  CNBC
  Investor's Business Daily
  FoxBusiness

> Portals & Search Engines
  Google
  USA.gov

IX. Primary Data
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”

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

   ii) Closed-ended or Fixed Alternative

   iii) Dichotomous

   iv) Semantic Differential

   v) Likert Scale

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

   vii) Writing the question can be an “art” that critically influences the result!!

See http://knowledge-base.supersurvey.com/glossary.htm#loaded_question

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 ______________________, ______________________
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, its 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) 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

Example:
Chapter 9 -- Segmenting, Positioning, and Forecasting Markets

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!!

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 POTENTIAL 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., similar) groups.
i) Members of each group are similar with respect to the factors that influence demand
(1) For example:
   (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 ________________________________
   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

Examples:
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:

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 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 ____________________________?

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) Mass Customization – Treat each customer as a __________
______________________________

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

      iii) However, while useful, this is too broad

   b) Bases for Segmenting Consumer Markets
      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
vi) 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) The marketing research firm ______________________ 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.

USA Today – Who We Are: Redefining our demographics
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) 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) 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 ____________________________
   (2) Easy to ____________________________

b) ____________________________
   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 ______________________________
e) Example: 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/index_en.html)
   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) 2 Segments
(a) Aspirin Regimen
(b) Aspirin for Pain Relief
(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) Expected _______________ 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
a) Creating and maintaining in the minds of target market consumers a particular image relative to competing products
   i) Example:

b) Consumers often form mental “____________________” for brands that will simplify their decision making – OUR “____________________” in their mind is of critical importance!

c) Three steps to Positioning a product
   i) Select a ________________________________
   
   ii) Design the ________________________________ that conveys the position
   
   iii) Coordinate ALL ________________________________ to convey the position to the target consumers

Example:

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
      i) 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

I. New Products? Who needs ‘em?
Examples:

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!

   b) Imaginatik – Idea Central

III. Understanding the terms
   a) What is a “product”?
      i) A set of ____________________________________________
      ii) May be a __________________________________________
      iii) Which provide satisfaction of ___________________________ in
           the form of ____________________________ .
      iv) And is exchanged for _________________________________

   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: Ultrabrite Advanced Whitening Toothpaste
Core Product – Ultrabrite Toothpaste
III. 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) Consumer Product Lines:
         (a) Household Deodorizers
         (b) Household Cleaners
         (c) Oral Care Products
         (d) Laundry Products
         (e) Pet Care Products
         (f) Personal Care Products
         (g) Arm & Hammer Baking Soda
         (h) Deodorant & Anti-Perspirants

d) Product Mix
   i) The number of product lines 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 each line

g) Consistency of Product Mix
   i) How similar are our product lines?
ii) PRODUCT MIX EXAMPLE:

<table>
<thead>
<tr>
<th>Hair Care</th>
<th>Salty Snacks</th>
<th>Dental Care</th>
<th>Soft Drinks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shampoo</td>
<td>Chips</td>
<td>Toothbrush</td>
<td>Colas</td>
</tr>
<tr>
<td>Conditioner</td>
<td>Nuts</td>
<td>Toothpaste</td>
<td>Ginger Ale</td>
</tr>
<tr>
<td>Hair Spray</td>
<td>Crackers</td>
<td>Dental Floss</td>
<td>Root Beer</td>
</tr>
<tr>
<td>Comb</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

IV. Classifying Products
   a) Consumer Goods
      i) products purchased by the ultimate consumer.
      ii) Based on Durability/Tangibility Classification (goods-services continuum)

      iii) Based on CONSUMER’S Interest

      LOW               Willingness to Expend Effort for the Product               High
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: Fortune 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.
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
   ii) __________________________ innovations
      (1) Improvement of existing products
      (2) Minor behavior changes, some new learning
   iii) __________________________ innovations
      (1) New function
      (2) Major behavior changes and education needed

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

Adapted from Booze, Allen, and Hamilton 1965
IX. Stages in the New-Product Development Process

Video: Fred Hunt on a New Product Idea for at Sherman-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
INTERNAL
➢ Initial Evaluation of Market Potential
➢ Initial Evaluation of Market Potential
➢ Check product fit in company mission and competencies
➢ Consider Effects on other products

Stage 2
Screening and Evaluation

INTERNAL
➢ Raw materials supply
➢ Patent position

EXTERNAL
➢ Concept Tests

To Stage 3

INTERNAL
➢ Check against customer needs
➢ Establish target market
➢ Check competition’s position
➢ Develop target position

Stage 3
Business Analysis

➢ Develop initial product specifications
➢ Perform economic analysis
➢ Revise and refine as needed

To Stage 4
Stage 4

Development

Stage 5

Development & Testing

- Supply chain process
- Manufacturing process
- Manufacturing Control system process
- Marketing programs

- Update costs and financial plans
- Ensure target costs are met

To Stage 5

- Create Prototype
- Lab Testing
- Customer Use Tests
- Customer reaction to planned marketing mix

To Stage 6a
Test Market

To Stage 6
Commercialization

- Feedback and Revision
- Re-test by customers
- Re-evaluation against competition
Stage 6z

- Test promotion methods
- Check repurchase rate
- Test media mix
- Measure Trade Acceptance
- Test prices

Market Testing

Stage 6

- Build product inventories
- Develop additional distribution channels
- Revise as needed (OR)
- Simulated Test Marketing

Ramp up Production
Ramp up purchasing
Activate Quality focused control systems

Launch (Commercialization)

- Mass training of sales or service personnel
- Dealer meetings
- Trade and customer ads
- Press conference

To Stage 6

To Stage 7
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
   l) Rapid Change in the Marketing Environment
XI. ..so Research, Research, RESEARCH!!
   • Thinking about research and sample size…
Chapter 11 -- Managing Products and Services

I. Introduction – Starbucks
   a) The Early Years

   b) Growth

   c) Managing the product and brand extensions.

   d) Logos

   e) Starbucks Competition

II. The POINT:

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

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<thead>
<tr>
<th>a) Characteristics</th>
<th>Introduction</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>b) Customers</td>
<td>Innovators</td>
<td>To the masses</td>
</tr>
<tr>
<td>c) Competition</td>
<td>Little</td>
<td>Increasing</td>
</tr>
<tr>
<td>d) Sales</td>
<td>Low</td>
<td>Rapid Growth</td>
</tr>
<tr>
<td>e) Profits</td>
<td>None</td>
<td>Strong &amp; then peak</td>
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</table>

<table>
<thead>
<tr>
<th>a) Marketing Implications</th>
<th></th>
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<td>a) Characteristics</td>
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<td>Introduction</td>
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<td>b) Overall Strategy</td>
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<td>c) Costs</td>
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<td>d) Product Strategy</td>
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<td>e) Pricing Strategy</td>
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<td>f) Distribution Strategy</td>
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<td>g) Promotional Strategy</td>
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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 __________________________
      i) Examples
      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


e) Managing During Maturity

f) Surviving the Decline

(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) Brand 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) BusinessWeek’s -- Top Global Brands
(also see Best Global Brands Summit 2009 http://www.youtube.com/watch?v=8f2crqqtglI)
Business Week’s Top Global Brands 2009:
1. Coca Cola
2. IBM
3. Microsoft
4. GE
5. Nokia

Best Global Brands 2010
1. Coca Cola
2. IBM
3. Microsoft
4. Google
5. GE

k) Reasons for NOT branding
   i) Do not want brand ownership responsibilities:
      (1) Promoting a Brand
      (2) Maintaining consistent quality
      (3) Product can not easily be physically differentiated

VIII. Selecting a Brand Name
a) Good Brand name
   i) Contributes to the product’s success
b) The Challenge
   i)
   ii)
   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 750,000 jobs in the U.S.
   Examples:

ii) Product Counterfeit Example:

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 large, well financed, and well managed 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 for Middlemen (Private Label)

i) A widespread practice

ii) The strategy is that the manufacturer’s brands will appeal to __________________________ while the Middlemen’s brands will appeal to __________________________

XI. Middlemen’s Branding Strategies

i) The middleman may choose to only carry only the ____________ Brands

(1) Avoids the Branding Responsibilities

ii) Carry BOTH the Producer and __________________________ brands.

Example:

(1) Can create store loyalty and better profits

(2) ____________ say the 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)

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 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. 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 -- Managing Services

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.”

I. Services are a Major Factor in the U.S. economy in dollars and in jobs Over $5.5 Trillion and 116 million jobs!

See Figure 12-1 page 298.

II. SERVICES Defined

a) Services are the intangible activities or benefits 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’ poverty of time

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

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) They demand _____________________!

(1) Example: The Casual Dining Industry is NOT providing “value” any longer

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

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

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

   (i)

   (ii)

IX. VALUE...

a) …an intangible concept often defined in terms of

   i) exceptional customer service

   ii) exceptional product quality

   iii) value-based prices

   (1) Example: Some casual chains are returning to a value service proposition
(a) MOST casual dining chains raise menu prices 1% to 3% every six months

(i) To keep up with rising commodity and labor costs

(b) SOME try temporary discounts

(i) $9.99 dinner deals and $5.99 lunch specials

(c) Others are making it a new marketing tactic

(i) TGI Friday’s “Right Portion, Right Price” dinner menu with smaller entrees starting at $6.99

(ii) Cheesecake Factory rolled back cheese-cake prices to $1.50 and had LONG lines. They are now rolling out a “customer loyalty card” with incentives to return

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) Lower Prices

(c) BETTER FOOD

(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 handheld video games?

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) Exceptional Customer Service can Differentiate you 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)
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 losing a customer

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!!

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!!