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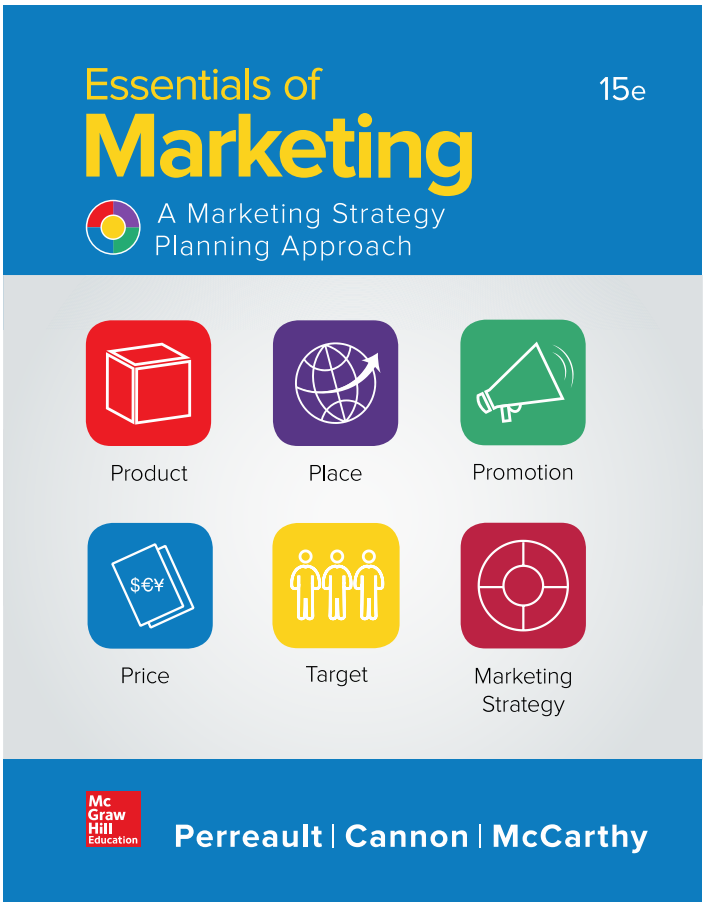

Essentials of Marketing, 15th edition

William D. Perreault, Jr.
Joseph P. Cannon
E. Jerome McCarthy

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Instructor's Manual & Digital Implementation Guide

Essentials of Marketing

A Marketing Strategy Planning Approach

15th edition

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Instructor's Manual to accompany
Essentials of Marketing,15th edition
by William D. Perreault, Jr., Joseph P. Cannon, and E. Jerome McCarthy

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CHAPTER 2: MARKETING STRATEGY PLANNING

CHAPTER 2 – COMMENTS ON QUESTIONS AND PROBLEMS

2-1. This chapter opener case uses Cirque du Soleil to introduce a wide range of concepts from the chapter. Some of these are listed below, but students may find others in an abstract assignment like this:

- Marketing strategy – targets adults with the 4 Ps
- Target market – adults more than kids
- Price - $40 - $200 per show
- Promotion – ads in airline magazines, publicity and word-of-mouth,
- Publicity – articles in local newspapers
- Place – television shows and use of DVDs to sell to customer
- Product development – lounges in Las Vegas (might also be considered diversification depending on whether it is interpreted to target current or new customers).
- Product development - DVDs
- Evaluating opportunities – the sixth paragraph highlights opportunities and notes some that have ben screened out.
- Your students will identify more.

2-2. The case opener suggests that Cirque du Soleil has already pursued some new opportunities. What follows are some potential examples:

- Market penetration – offer more shows when it travels to each town, multiple shows in Las Vegas
- Market development – traveling shows in Europe, Asia, Australia, etc. offer opportunities in new markets
- Product development – opening Cirque du Soleil hotels or a clothing that targets current customers,
- Diversification – they might move into pharmaceutical drugs or attempt to build cars – very much a diversification move.

2- 3. A marketing strategy includes the selection of a target market *and* the development of a marketing mix. So a marketing mix is only part of a marketing strategy.

2- 4. Target marketing involves consciously picking some target (which might be the "mass market"), while mass marketing is not focused on some specific customers. The managers just naively assume that "everyone" or at least enough "someones" will buy to make the business successful. A meaningful example for students might be contrasting the operation of some fast-food franchises which have developed good strategies with a locally owned restaurant that is just serving "food," apparently to "everyone," and not doing very well. Local examples with which the student has had some experience are usually better than discussing the strategies of large companies that are managed from remote cities.

2- 5. The target customer is placed in the center of the four Ps because the customer should be the focal point of all marketing efforts and really all business efforts. Without potential customers – and eventually satisfied customers – there is not much point in any company effort. Almost any product (for example ball point pens or sports shirts), might be used to illustrate the way that products can and should be designed with the customer in mind, made conveniently available, promoted to these potential customers, and priced attractively or competitively – again with the customer in mind. The interrelatedness of the decisions (as shaped by the needs and attitudes of the various potential customers) should be noted.

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2- 6. It is important for a firm to have a clearly defined target market even if a company sells its products only from a website. This question is designed to prompt students to think about the idea of the website in the context of the marketing mix. The fact that the firm is distributing to customers "direct" via its website (rather than through wholesalers or retailers) is certainly an important decision in the marketing mix context, but the fact that the website it available to customers from all over the world doesn't mean that the firm's offering will be attractive to customers regardless of geographic location. The marketer still needs to think about the benefits its product offers relative to the needs of some set of customers, what competitors offer those customers, when and how the product is going to get to the customer's place, what communications (promotion, customer service, etc.) the customers will need, what price is appropriate, and the like. There is intense competition for attention and business on the Internet, and just "building a better mousetrap" (if the firm has in fact done that…whether it is the product offering OR the website itself!) is not any sort of assurance that it will attract, satisfy, and retain customers. A firm that has a specific target market will be able to fine tune its message and the rest of the marketing mix to the needs of the target customers; that increases the odds that it can offer them superior customer value.

2- 7. This question basically serves as a review of the text discussion in the section, "Developing Marketing Mixes for Target Markets."

2- 8. This question is designed to get the students thinking more seriously about what should be included in a marketing strategy – that is, to get them beyond a superficial definition of marketing strategy. Ideally, a strategy should include policy statements with respect to how each of the four *Ps* should be handled. If these are spelled out completely, then there are comprehensive guidelines for implementing strategy. Usually not all the details of implementation will be set by the strategy, but a detailed marketing plan would provide sufficient detail so there was no doubt that the implementation decisions were primarily concerned with operational (not strategy) matters. The discussion here should not leave the student thinking that there is "nothing" to implementation efforts. This is certainly not true. The important point is that two different levels of decisions are involved here – strategy and operational.

2- 9. Strategy decisions are concerned with "grand plans," while operational decisions are concerned with more detailed decisions – which are made within the framework of the strategy. A local retailer might include as part of his strategy an intention to price his whole line to meet his major competitors' price levels. Regular operational decisions will have to be made with respect to which products' prices to change in order to appear to remain competitive with competitors who are varying prices on different items at the same time. This continual adjusting of prices might be extremely important to his long-run success, yet should be seen as operational decision-making, given his strategy pricing decision.

2- 10. This question provides students with an opportunity to demonstrate their level of comfort with this concept. This chapter provides the following definition: "the expected earnings stream (profitability) of a firm's current and prospective customers over some period of time." Students will find a way to put this definition in their own words. The emphasis should be on three elements: 1) profitability, 2) current and prospective customers, and 3) current and future profits. The implications of this approach are important because it provides a financial goal for marketing managers. The approach also emphasizes the need for a marketing manager to both *retain* current customers and *acquire* new ones. Thus, a marketing program will usually have some efforts directed at retaining and growing current customers (one or more target markets) and acquiring new customers (other target markets).

2- 11. This question helps students consider the variations in marketing strategy when the objective is customer acquisition as opposed to retention or enhancing sales. So for example, with a company selling oral health care products, acquisition might consider discounts and price promotions to encourage a customer to first use the product. It might also work through

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dentists for their recommendations. Having a high quality product that does what it says will lead to customers satisfaction and customer retention. Finally, enhancing sales comes when users of a particular brand of toothbrush also use its brand of mouthwash and/or toothpaste. Bundled packages or coupons on one product for the other might help with that. Similar strategies might also be employed by a fast food restaurant.

2- 12. A *strategy* is a "big picture" of what a firm will do in some market. A *marketing plan* includes a strategy and the time-related details for carrying out the strategy. And a *marketing program* is a blend of all of the firm's marketing plans. A department store might have a strategy for how to handle each of its departments and expect its department managers to develop marketing plans for each department – perhaps month by month for the next year or even up to five years. A marketing program would be the blending of all of the marketing plans into one workable program. Developing the program might require some adjusting of the plans of some departments – in order to make effective use of all of the firm's resources but not exceed them.

2-13. This question is designed to get the students thinking about the various target markets for a particular product – and the many factors that ought to be considered. If the instructor is familiar with the development of a new marketing strategy, it probably will be preferable to substitute this product for one of those suggested – in order to give the students a better "feel" for reality.

This exercise can easily lead into an interesting discussion of marketing strategy planning and all of the problems that can arise (but the instructor must guard against it degenerating into just a "bull" session). The general approach will be illustrated below for the new toothbrush.

The students must be led to see that there are many different potential target markets before going on to the development of one whole strategy. It might help to begin by trying to determine the degree of interest of some target consumers in toothbrushes in general – and the extent of interest they might have in the particular kind of product being considered. Using the marketing strategy diagram in Exhibit 2-9 as a framework – to begin to segment the "toothbrush market" – you could lead them to ask questions such as: What do consumers look for in toothbrushes? Why do they buy them? Where do they buy them? How much do they pay for them? Who buys them? All of these questions should be raised by the students. Obviously, no one answer can be developed in the classroom for all these questions (there are many target markets), but some tentative conclusions might be advanced – some consumers are worried about their gums, not just their teeth, some people don't seem to think about brushes at all, some want a brush that's easy to pack for travel, etc.

The next step would be to analyze the product in the light of the consumers' image of toothbrushes and the ritual of tooth brushing. If this product seems to have any possibilities for satisfying the needs of some consumers, then the other three *Ps* – Place, Promotion, and Price – will have to be considered. *Where* consumers traditionally buy toothbrushes may have a bearing on where they will have to be distributed. If the same types of places are chosen, a great deal of promotion may not be necessary. However, if an entirely new set of places is chosen, promotion may become more expensive. If the consumer is not particularly enthused about new products of this type, even if they are superior, then the latitude on pricing may be rather narrow. The marketing executive's job would be to weigh the four *Ps* in light of consumer analysis in order to come up with a satisfactory marketing strategy.

At this time, a well-organized discussion of all these points probably should not be expected of the students, but it is surprising what they can do. In the following pages, some examples of students' work are presented to give you an idea of the caliber of work that can be expected this early in the course.

A. The marketing problems I believe I would face if I were to develop a new design for a toothbrush:

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Concerning the consumer:

1. Characteristics of buyers and users
2. Size of purchase
3. Unfavorable attitudes of buyers of brand
4. Class of buyers
5. Number of competitors and brands
6. Differentiation of own brand from leaders

Concerning the product:

1. Quality
2. Models and sizes
3. Attractiveness
4. Shape, material, design, color, and copy

Concerning the place:

1. Number of wholesalers and retailers
2. Degree of aggressive retailer cooperation

Concerning the price:

1. Factory price
2. Wholesalers' and retailers' price
3. Discounts, allowances, and deals
4. Price support

Concerning the promotion:

1. Selling
2. Advertising
3. Sales promotion

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B. The first thing we have to do in setting up the marketing strategy is to determine the target market. The target for a new spinning reel would, most naturally, be the sport fisherman. Since the consumer is of such great importance in the selection of a strategy, he should be considered first and foremost. To begin with, sport fishermen can be from any social or financial class. This fact in itself presents somewhat of a problem. The reel has to be such that it will appeal to the majority of the people from these different groups.

Next we have to determine just how we are going to design this item to accomplish this. We have to make the reel so it has all the qualities we want, and price it so it can be sold in the volume necessary to make a profit. We have to decide whether we are going to make all the component parts ourselves or if we are going to do any subcontracting. These and many more considerations must be made in this connection.

Determining places of distribution to the customer is also very important. With an article such as a fishing reel, the best markets would no doubt be in or near river towns, fishing resorts, lakes, or oceans. Along the same lines, you must determine how you are going to work the distribution end of your business, whether you are going to use wholesale outlets, brokers, franchised dealers, etc.

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The price of the reel now has to be set so that it will move fairly fast on the market. Competition will, of course, affect pricing. . You must also take into account the distributors and sales force and whether you are going to pay them a high commission.

Since this is a new product, promotion is going to be of major importance in establishing good markets. You will have to concern yourself with advertising, sales promotions, and training salespeople among other things. I think these would be the greatest problem areas you would encounter.

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C. *Consumers:* The market target for the new wonder drug is all consumers, since at one time or another everybody gets sick. The drug will be also aimed at children, since children are always getting sick. The drug should be promoted more to residents of cold or damp sections of the country since susceptibility to sickness is greater in these areas.

The number of other brands is few since this is a new wonder drug. Brand loyalty will be low since this is a new product.

Product: The product will be in pill form. In must be decided how many sizes of bottles and how many pills to each size there should be. The color of the coating of the pill is important in order to make it attractive to children. The color and graphical design of the box should stand out on the shelf.

The brand name should be easy to pronounce and should be connected to the concept of curing sickness so that when someone thinks, "I am really sick, what can I take to get better?", immediately the name will pop into his mind after hearing it only once before.

Place: Samples should be distributed to doctors. The main distribution will be through drugstores and drug counters in department stores.

Price: The price should be within the reach of everybody. It should be priced in the range of other drugs. Many people object to the high price of drugs, but most will pay the price if they think the product is good. If the price is high, people feel that they are getting something good. So the price should appear a little high, but not so high as to take a big chunk out of the average person's pocket.

Promotion: Since it is a medical discovery and a significant one, an attempt should be made to have articles printed in prestigious medical journals to show doctors how good the product really is. Television is the best medium for advertising the product. ”A famous doctor says” approach should be avoided since I think it is boring to people. But the doctor should not be left completely out of the advertisement. It should be emphasized that the drug is safe for all ages. All other modes of advertisement should also be used.

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D. The new type of industrial stapling machine causes students considerable trouble as few of them have had much industrial experience. This provides another opportunity to emphasize the need for careful customer analysis.

For class discussion, it is useful to segment the stapling machine market into at least two parts – thus requiring two sets of answers. The two basic markets are for office use and for plant use (fastening boxes or assembling wood or metal pieces).

You might show that reaching office managers, production managers, purchasing agents, and even top executives in businesses where fastening is especially important affects the Place

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and Promotion variables. The problems of marketing industrial products should only be raised here, as they are treated extensively in the rest of the text. By the end of the book, the students will be able to handle such a problem very nicely. It might be fruitful at this time, however, to get the students to notice that industrial marketing would probably be more economically-oriented than final consumer marketing.

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2-14. This is an integrative question. As indicated in the section, “What Does the Marketing Concept Mean” (in Chapter 1) all functional areas are dependent upon a firm's market-oriented plans. A market-oriented plan starts with customers and then expects the rest of the firm to arrange its affairs accordingly. Therefore, an example from any functional area would be appropriate here.

2-15. This is an important question. It gets at a key reason why it is hard for firms to be successful! ! It will prompt a wide variety of different answers (and has the potential to generate some very good interaction if it is discussed in class). Most students think that the marketing concept sounds like a simple idea, and students with less work experience often think that it is easy for a firm to implement. Those with more experience are likely to “make excuses” for companies because they are more attuned to the problems. But discussion of this question helps to highlight some of the reasons that the marketing concept is not easy to implement.

If there is any difficulty getting discussion going, ask students what they think about the firm that provides their cell phone service, the food service on campus, or the outlet where they purchased a computer. These tend to be routine pockets of dissatisfaction and there will be differences of opinion about what is important and how different firms handle issues.

In a class discussion, the point is to try to focus not just on the things that leave customers dissatisfied, but (a) what they can do to remedy the problem, and (b) the obstacles that get in the way of such efforts. One approach is to have a few students give brief examples and list them on the board, and then go back and address the remedies and/or obstacles. The trick is to try to generalize from the examples that they give. The list of generalizations can also go on the board, and then at the end of class, the instructor can point out that by the end of the course, all of those issues will have been covered. For example, if a student complains about problems with a purchase, then the professor might ask whether the retail firm that generated the problem seemed to have a bad strategy, or whether the firm didn’t implement its strategy well. Was the salesperson poorly trained or maybe just in a bad mood that day? Is it possible that the customer was partly at fault? Is the customer really always right? Can a firm afford to satisfy everyone?

By the end of the discussion, the instructor can highlight the fact that the underlying tension in implementing the marketing concept is; it is difficult to make a profit and satisfy customers at the same time. Customer satisfaction drives business (and repeat business), but it can also be expensive to satisfy customers. So a firm needs to recognize that different customers have different needs, and then choose the needs it can satisfy at a cost that customers are willing to pay. This, of course, sets up the discussion of target marketing and the “fit” between the marketing mix and the firm’s capabilities relative to those of competing firms.

2-16. An "attractive" opportunity for a firm is one that the firm has some chance of doing something about – given its resources and objectives. A "breakthrough" opportunity is an attractive opportunity that will enable the innovators to develop hard-to-copy marketing mixes that will be very profitable for a long time.

Students will give a wide variety of examples here. They are often better at identifying "attractive" opportunities than "breakthrough" opportunities. In particular, it is not unusual for students to think that just about everything is "hard to copy.” ” Discussion of this question is a good way to highlight the importance of analyzing the current competitive environment and/or

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what is likely to happen with it in the future. This discussion can be used to foreshadow a similar discussion in Chapter 3, as well as introducing the concepts of product life cycles, which are developed more fully in Chapter 9.

2-17. By defining a market in terms of a market's needs, it is usually possible to see subsets that are not completely satisfied with the present offerings. Students should be able to come up with examples – if nothing else, examples of needs that they personally have that are not completely satisfied. Suggestions from the class can be pursued to see whether each "opportunity" is likely to be large enough to be profitable to some firm, though the focus here is simply to get students to see that there are opportunities all around them. .

2-18. The basic logic for thinking of the marketing strategy planning process as a narrowing down process is to be certain that the marketing manager considers the various alternative opportunities that might be available before putting all of his or her energy, and the firm's investment, into a single strategy.. There are usually more possible opportunities, each requiring different strategies (potential target markets and variations on the marketing mix), than the firm can actually pursue. The choice that is made may set the firm's course for some time to come, so it's important to focus on the strategy that has the greatest chance of success, rather than the one that at first glance appears to be OK.

2-19. The major differences among the opportunities are related to whether the firm uses its present products or new products while pursuing present markets or new markets. Note: The student's examples should describe what a firm is or was doing before moving on to a new opportunity. In other words, what would be a diversification for one firm might be simply market penetration for a firm that was already in that market.

2-20. Familiarity with the firm's current market would probably reduce the cost and risk. The farther a firm moves from its present activities, the less it is likely to know about the market and its problems. "The grass is not always greener on the other side of the fence."

2-21. The text provides a discussion of reasons that international opportunities should be considered. Student answers will usually incorporate the reasons given in the text, including:

(a) it's now becoming easier and cheaper to deal with customers in international markets, because of advances in communications and transportation;
(b) people in a foreign market may have needs that the firm could meet, and the people may have the money they need to be customers;
(c) serving larger, international markets may result in additional competitive advantages, such as greater economies of scale in production, shared expertise, etc.
(d) the product life cycle may be at an earlier stage in an international market, which effectively gives the firm the chance to "turn back the clock" to a stage where there is greater growth in sales and profits;
(e) the foreign market may offer more favorable trends with respect to the marketing environments, including the competitive environment, the legal/political environment, the economic/technological environment, and the socio-cultural environment. For example, income and population growth has subsided in the U.S.; as a result, some consumer products firms' growth will need to come from overseas markets.

2-22. The main purpose of this question is to encourage students to think about all of the products that they buy/use/consume that come from foreign producers. The reasons that they give for purchasing a specific product will vary dramatically – ranging from economic-oriented issues (low cost, good reliability) to emotional reasons (the status of French perfume, the "in" styling of an Italian designer). Regardless of the purchase reasons, students will usually conclude that there was a good opportunity for a domestic firm to get their business – often because there is really no barrier to prevent a domestic producer from competing. This will come out in the explanation or the "why or why not" part of the answer. After considering the "foreign" competition from that perspective, it's useful to turn things around and ask whether or not

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domestic firms have similar opportunities in foreign markets. This discussion might require a short digression on trade barriers (quotas, tariffs, etc.), but it also can highlight the fact that firms from all over the world are competing to "capture" customers wherever they may be.

DISCUSSION OF MARKETING ANALYTICS: DATA TO KNOWLEDGE, PROBLEM 2: TARGET MARKETING

In this problem, the student evaluates the profitability of a target marketing approach compared to a mass marketing approach. The spreadsheet for the problem focuses student attention on the size of the segments, the "share" that a firm wins in that market, costs of blending a marking mix to reach the market, and revenue and profit relationships.

The initial spreadsheet for the problem appears below:

NOTE: As a general convention, when reviewing the spreadsheets for these problems, cells that the students may modify in the tool are denoted with an asterisk (*) as can be seen in the initial spreadsheet below.

SpreadSheet		
	Targeting	Mass Marketing
PRODUCT: Production Cost per Unit	$8.00*	$7.50*
PLACE: Distribution Cost per Unit Sold	$2.00*	$2.50*
PROMOTION: Total Promotion Cost	$12,000.00*	$60,000.00*
PRICE: Selling Price per Unit	$16.00*	$14.00*
Overhead Costs	$10,000.00*	$20,000.00*
Number of People in the Market	25,000*	275,000*
Percent of People Who Will Buy	80.00%*	40.00%*
Firm's Percent (share) of Purchases	50.00%*	20.00%*
Quantity Sold (Units)	10,000	22,000
Total Revenue (Price times Quantity)	$160,000.00	$308,000.00
Total Cost (Sum of Above Costs)	$122,000.00	$300,000.00
Total Profit (Revenue minus Costs)	$38,000.00	$8,000.00

Answers to Computer-Aided Problem 2:

a. The correct answer is C. Although higher sales volume does result in lower production costs (answer B), the need to sell the product in more locations ***increases*** the distribution cost rather than decreasing the distribution cost. This concept is discussed in more detail in Chapter 10 when tradeoffs between intensive, selective, and exclusive distribution are discussed.

b. If the target marketer could reduce distribution cost by $.25 per unit, from $2.00 to $1.75, total profit would increase by $2,500.00 – from $38,000.00 to $40,500.00. The point here is that reducing the cost of any element of the marketing mix – if it still meets the needs of target customers – will help to improve profits. The spreadsheet for this analysis is shown below:

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SpreadSheet		
	Targeting	Mass Marketing
PRODUCT: Production Cost per Unit	$8.00*	$7.50*
PLACE: Distribution Cost per Unit Sold	$1.75*	$2.50*
PROMOTION: Total Promotion Cost	$12,000.00*	$60,000.00*
PRICE: Selling Price per Unit	$16.00*	$14.00*
Overhead Costs	$10,000.00*	$20,000.00*
Number of People in the Market	25,000*	275,000*
Percent of People Who Will Buy	80.00%*	40.00%*
Firm's Percent (share) of Purchases	50.00%*	20.00%*
Quantity Sold (Units)	10,000	22,000
Total Revenue (Price times Quantity)	$160,000.00	$308,000.00
Total Cost (Sum of Above Costs)	$119,500.00	$300,000.00
Total Profit (Revenue minus Costs)	$40,500.00	$8,000.00

c. If the target marketer can increase his share of the market from 50 percent to 60 percent, his profit will increase to $53,000.00 (Answer D). The spreadsheet for this analysis is shown below.

SpreadSheet		
	Targeting	Mass Marketing
PRODUCT: Production Cost per Unit	$8.00*	$7.50*
PLACE: Distribution Cost per Unit Sold	$1.75*	$2.50*
PROMOTION: Total Promotion Cost	$12,000.00*	$60,000.00*
PRICE: Selling Price per Unit	$16.00*	$14.00*
Overhead Costs	$10,000.00*	$20,000.00*
Number of People in the Market	25,000*	27,5000*
Percent of People Who Will Buy	80.00%*	40.00%*
Firm's Percent (share) of Purchases	60.00%*	20.00%*
Quantity Sold (Units)	12,000	22,000
Total Revenue (Price times Quantity)	$192,000.00	$308,000.00
Total Cost (Sum of Above Costs)	$139,000.00	$300,000.00
Total Profit (Revenue minus Costs)	$53,000.00	$8,000.00

d. Using the spreadsheet above we can see that Total Revenue would increase to $192,000.00 (Answer B).

e. This question is designed to start teaching students about the underlying relationships between cost, revenue, and profit. It also provides a very light introduction into the concepts of fixed and variable expenses. The correct answer is B. Total Cost does not equal Total Production Cost plus Total Distribution Cost. Those variable costs are both components of the Total Cost but you must also include fixed costs such as Overhead Costs and Total Promotion Costs.

MARKETING ANALYTICS DISCUSSION

Going through this exercise students should learn that while mass marketing provides the potential to reach more customers and achieve higher revenue, the costs associated with the effort usually overshadow the gains. The target marketer who can really fine-tune his marketing mix to the needs of the target market can increase his share of the business from that target market, and his profitability. The exercise shows that it is often better to get a larger share of a smaller target market than to use a perhaps very expensive marketing mix to inefficiently compete for a small share of a larger "mass market."

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CHAPTER 2 – COMMENTS ON USE OF SUGGESTED CASES WITH THIS CHAPTER

Case 3: Real NOCO Soccer Academy

This case can be used to introduce the marketing strategy planning process and customer equity – both of which are discussed throughout the rest of the book. The Real NOCO Soccer case provides an early opportunity to use both of these frameworks. The marketing strategy planning process in Exhibit 2-9 might be shown on the board and used to help guide discussion. In fact, the shortage of information on competitors – at least in the short case – becomes more obvious when this framework is shown. There is a need to match the company strengths with customer needs. A S.W.O.T. analysis might be done to help students understand these concepts.

The options clearly address some of the alternative growth methods suggested in the section "Recognizing Customer Lifetime Value and Customer Equity" in the text – acquisition of new customers, retention of current customers, and increasing purchases by current customers. To dramatize the effects of customer retention, ask your students what percentage of its customers Real NOCO Soccer Academy is likely to retain each year. Despite kids moving, changing interests, and growing too old for training, the current retention rate of 80% is really quite high. This means that of the 600 customers Real NOCO Soccer Academy currently serves, it needs to attract 120 new customers each year just to stay even – and Real NOCO Soccer wants to double in size. If Real NOCO Soccer can increase customer retention by 10%, this means the company keeps 60 more customers. But is that even possible? Real NOCO Soccer may have no ability to control families moving from the area, kids changing interests, and aging of its customer base. This means that some customer acquisition efforts will be a necessary part of its strategy. Further, if Real NOCO Soccer can get 25% of its customers to take one additional program per year, then sales should increase by about 25%. These numbers – or variations that you might create – help to dramatize the different customer equity options in the Real NOCO Soccer case. See case discussion in Part V.

Case 4: Computer Xperts

This case can be used to illustrate ideas related to marketing strategy planning, including S.W.O.T. analysis. A young woman decides to go into business (doing computer service work) in a small town where she is in direct competition with another established competitor who has a strong reputation and a loyal following (and it's a firm with which she had a summer job before going into military service). Her choice of this business opportunity is influenced heavily by where she wants to live and what she has done in the past. It is of course reasonable to use these as criteria in evaluating opportunities and screening alternatives, but she doesn't develop the elements of her marketing mix very carefully. Instead she seems to expect that the community will somehow see the wisdom of bringing business to her. Students will have empathy for her situation, but she is nevertheless in a tough situation because it doesn't appear that she has any particular competitor advantage. Equally important, she really has not done anything in developing her marketing mix to try to get an advantage.

Case 5: Polymer Dynamics

Used in this chapter, this case also illustrates a production-oriented company that has ignored potential customers' needs and the uncontrollable environment. It is easy to show the need for target marketing in this case. See case discussion in Part V.

Case 12: DrV.com—Custom Vitamins

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This case can be used as an opportunity to introduce students to a relatively straightforward financial analysis involving some topics related to customer equity. See case discussion in Part V.

Case 29: Quality Iron Castings, Inc.

This case can be used to illustrate production-oriented thinking – and the need for more marketing-oriented strategy planning. It also can be used toward the end of the course to "wrap everything up." See case discussion in Part V.

Video Case 1: Chick-fil-A

This video summarizes the marketing strategy of Chick-fil-A®, the second largest quick-service chicken restaurant chain in the United States based on sales ($1.975 billion in 2005). It operates over 1,250 restaurants in 37 states and Washington, D.C. Its 2005 performance marks the 38th consecutive year of system-wide sales gain. The case covers each of the 4 Ps, which are introduced in this chapter. For more details, see the *Video Instructor's Manual on the Instructor's Resource CD* or the *Instructor Side of the Online Learning Center (www.mhhe.com/fourps).*

Video Case 2: Bass Pro Shops

Bass Pro Shops is the nation's leading retailer of outdoor gear. It also is regarded as a master marketer for a unique shopping experience that blends goods and services with theater and entertainment—a trend in retailing called "destination development." " This case covers each of the 4 Ps, which are introduced in this chapter. For more details, see the *Video Instructor's Manual on the Instructor's Resource CD* or the *Instructor Side of the Online Learning Center (www.mhhe.com/fourps).*

Video Case 4: Potbelly Sandwich

This video summarizes the marketing strategy of Potbelly Sandwich Works, Inc. along the 4Ps and features interview footage with Bryant Keil, Chairman and CEO of the company. Chicago-based Potbelly Sandwich Works, Inc. is a chain of sandwich shops that competes in the Quick Serve segment of the restaurant industry. Billed as a unique and "quirky" sandwich joint, Potbelly has strong appeal to young urban professionals. The case covers each of the 4 Ps, which are introduced in this chapter. For more details, see the *Video Instructor's Manual on the Instructor's Resource CD* or the *Instructor Side of the Online Learning Center (www.mhhe.com/fourps).*

Video Case 6: Big Brothers and Big Sisters of America

This video explores the processes by which Big Brothers Big Sisters of America (BBBSA) developed and implemented its strategic marketing planning process. For more than a century, Big Brothers and Big Sisters of America (BBBSA) has helped children reach their potential through professionally supported one-on-one mentoring. This case describes the marketing strategy planning process at BBBSA, a concept that is introduced here in Chapter 2.. For more details, see the *Video Instructor's Manual on the Instructor's Resource CD* or the *Instructor Side of the Online Learning Center* (www.mhhe.com/fourps).

CHAPTER 2 – COMMENTS ON USE OF ETHICAL DILEMMA QUESTIONS WITH THIS CHAPTER

Situation: *What would you do? You have been working for a major online retailer in the entertainment products category and have responsibility for DVD and Blu-ray movie sales. You've been approached by*

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a company that offers a behavioral targeting software program. When a customer visits your website, this program can tell whether that customer has been "shopping around"—it knows if a customer has looked at DVD or Blu-ray movies at other online stores. Assuming this type of behavior means these customers are looking for a good deal, the new software allows you to charge a lower price only to these "shopping around" customers. The higher, regular prices will continue to be shown to other customers. The software seller claims his software will double your profits in the DVD and Blu-ray category. When you ask if it is fair that different customers pay different prices, the software salesperson says, "This is just how target marketing works today. One target market is price sensitive, so we give them a lower price. The other doesn't care about price, so we keep it higher." Would you purchase this service? How would customers paying the higher price feel if they found out other customers paid lower prices for the same movies? Explain your decision.

Behavioral targeting is a controversial practice. Many privacy advocates are concerned about the implications of behavioral targeting. The question also introduces the students to price discrimination. Usually we find student less concerned about invasions of their privacy and more concerned about "unfair" pricing. If a discussion trends in these directions, you might ask students whether they think "ladies night pricing at a bar" or "student discounts" are "fair"? You might also ask how they would feel if they walked into a bookstore and the salesperson came up and suggested books by authors they had read before. Does the online context make it more acceptable to them?

CHAPTER 2 – COMMENTS ON USE OF MARKETING PLANNING FOR HILLSIDE VETERINARY CLINIC QUESTIONS WITH THIS CHAPTER

Appendix D *(the Appendices follow* ***Chapter 19****) includes a sample marketing plan for Hillside Veterinary Clinic. Skim through the different sections of the marketing plan. Look closely at the "Marketing Strategy" section.*

a. *What is the target market for this marketing plan?*
b. *What is the strategy Hillside Veterinary Clinic intends to use?*
c. *What are your initial reactions to this strategy? Do you think it will be successful? Why or why not?*

At this point in the introductory marketing class, students need to learn about the different parts of a marketing plan at a very basic level. This helps them get an appreciation for the various elements of marketing. Often students walk into this class thinking that marketing is "easy" or "obvious." " The marketing plan shows them the amount of analysis that goes into creating a marketing strategy – even for a small business.

The first question simply requires that the student recognizes the target market. The HVC marketing plan identifies two target markets: 1) Pet owners with small animals living within 10 miles of Wellington, Colorado, who are not currently customers of HVC, and 2) Pet owners with small animals living within 10 miles of Wellington, Colorado, who are currently customers of HVC.

In class discussion, the instructor may ask why HVC has chosen these target markets. Veterinarians often specialize in small animals (cats, dogs, etc.) or large animals (cows, horses, etc.). Other vets may choose to specialize in exotic small animals (monkeys, chinchillas, ferrets, etc.). The marketing strategy process planning model might be referenced. Competitors in the area specialize in large animals – which typically involve house (or ranch or farm) calls. A company factor is Doctor Hardy's likely training in small animals – and perhaps her innate interests. Also, there are many consumers in the fast-growing area that are likely to have small animals – making for a ready market.

As a transition to the second question, the instructor might ask the class, "Why does the marketing plan differentiate between current customers and non-customers of HVC?" " This allows for a discussion of the two different targets. The former are already familiar with HVC and have an established relationship. The marketing strategy for this group includes tactics that serve to remind customers and introduce them to

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new products and services offered by the clinic. On the other hand, non-customers may not be aware of HVC – so tactics here try to increase awareness and encourage customers to try the clinic.

The last question is designed to get students to evaluate a marketing strategy. There is no correct answer here, and certainly most introductory marketing students will not be able to offer a detailed critique. But the instructor can encourage students to judge the likely effectiveness in light of the situation analysis.

CHAPTER 2 – SUMMARY OF CONNECT HOMEWORK EXERCISES

Question 1: Target Marketing and the 4 Ps at Campbell's Soup
Question Type: Click and Drag
Learning Objectives: 2.3, 2.4
Topic: Developing marketing mixes for target markets
AACSB: Reflective thinking
Bloom's: Understand, apply

Question 2: The Marketing Strategy Process Planning Model
Question Type: Click and Drag
Learning Objectives: 2.7
Topic: Marketing strategy planning process highlights opportunities
AACSB: Reflective thinking
Bloom's: Remember, understand, apply

Question 3: Marketing Strategy Opportunities at Olive Garden Restaurant
Question Type: Decision Generator
Learning Objectives: 2.3, 2.4
Topic: Marketing mix
AACSB: Reflective thinking
Bloom's: Remember, understand, apply

Question 4: Bass Pro Shops and the Marketing Strategy Planning Process
Question Type: Video Case
Learning Objectives: 2.3, 2.4, 2.7
Topic: Marketing mix and marketing strategy planning
AACSB: Analytic
Bloom's: Remember, understand, apply

Question 5: The Marketing Plan (iSeeIt! Video)
Question Type: Video Case
Learning Objectives: 2.5
Topic: The Marketing Plan Is a Guide to Implementation and Control
AACSB: Analytic, reflective thinking
Bloom's: Remember, understand, apply

Question 6: Target Marketing
Question Type: Marketing Analytics
Learning Objectives:
Topic: Target marketing
AACSB: Analytic, technology
Bloom's: Remember, understand, apply

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APPENDIX A: ECONOMICS FUNDAMENTALS

APPENDIX A – COMMENTS ON QUESTIONS AND PROBLEMS

A- 1. The key here is that economists see individuals choosing among alternatives and if the price of one of the many commodities customers can buy is raised, then economists would expect them to shift to more economical alternatives – i.e., reduce the quantity they will buy of the "high price" item.

A- 2. It is a "picture" of a demand schedule. This is down sloping for the reasons explained in Question 1.

Some prestige or status-oriented products – like jewelry or French perfume – might not have a down sloping demand curve. For these products, part of what makes them "desirable" is the fact that they are special. If prices were too low, customers might look for something else to purchase. Similarly, some services have upsloping demand curves, at least in some price ranges, because it is difficult for the customer to tell in advance what the quality of the service will be. For example, medical services that were "too cheap" might be viewed as poor quality. A higher price might result in perceptions of higher quality, and result in increased demand.

A- 3. See chapter-opening section, “Products and Markets as Seen by Customers and Potential Customers.” We often talk about the annual demand for automobiles or wheat, but short-run demand curves might be relevant also – especially for operational decisions. In the automobile market, for example, it might be useful to think of relatively inelastic demand curves early in the model year, when those who are anxious to have the "newest" are evident in the market. Then, later in the year, "end-of-the-year bargain hunters" might offer more elastic demand curves. In practice,, prices at both the manufacturer and retailer levels do change during the course of a model year—end-of-the-year allowances and volume discounts are offered by manufacturers, and bigger discounts may be offered to final consumers by retailers.

A- 4. To the extent that men have substitutes for dress shoes, the dress shoe market would be more elastic than the general shoe market. However, if they have entirely different attitudes when buying dress shoes, perhaps being more interested in style, color, etc.; then their demands for particular kinds of shoes might be more inelastic because they do not see that all of the different shoes are substitutes. The same ideas would apply to women's shoes. Demand might be quite inelastic, within reasonable price brackets anyway, if some manufacturers offered a distinctly different design or color. This is one reason that so much time and effort is spent trying to develop unique new products that have no direct substitutes.

A- 5. If the perfume industry as a whole could agree to raise prices, then inelastic demand would indicate that total revenue would increase and therefore the move would seem desirable. However, an individual producer would have to be sure that his or her own demand curve is inelastic above the present price before making the move. In determining the most profitable price, one must usually take into consideration supply curves. Marginal concepts for price determination are introduced in Chapter 18.

A- 6. Even though the demand for shrimp is highly elastic, indicating the total revenue would increase at a lower price, the producer must also consider that his costs also increase when selling additional quantities. In this case, even more than in Question 5, costs must be considered.

A- 7. Inelastic demand and supply are caused by different factors and therefore there is no reason why they should be found together in the same situation. Customers' attitudes and the

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availability of substitutes are involved with respect to demand, while elasticity of supply is related to the suppliers' cost structures and profit objectives.

A- 8. This question relates to the discussion of substitutes in the opening section, “Products and Markets as Seen by Customers and Potential Customers.” The text highlights the fact that elasticity of demand for a product might depend on the availability of substitutes – products that offer the buyer a choice. A marketing manager would usually prefer to offer a product that does not have close substitutes because it would mean that there would be less competition for the business of customers. Of course, the lack of close substitutes does not guarantee a profit. A company might develop a product that does not satisfy consumer needs – or which cannot satisfy needs at a profit. For example, when Du Pont originally introduced Corfam – a synthetic material that was used in making shoes – there was no direct substitute. It retained the shine on the shoes, it was water resistant, and it did not wear out. But, consumers did not like the product because it did not "breathe" like leather, and the result was dissatisfied consumers with hot, sweaty feet. Consumers stopped buying the product, and went back to buying dress shoes made of real leather. Thus, a product that does not satisfy customers' needs is unlikely to be successful – regardless of the fact that it is "all alone" in the market. Even a product that potentially meets needs may be unprofitable in a market where there is no close substitute. For example, a really new product concept might meet needs that potential customers have, but if they don't know about the product, or don't know where to get it, or if it is not available when they want it, the whole effort may fail. A lack of close substitutes is not a guarantee of success – but in the right circumstances, it can give the marketing manager increased opportunity in the market.

A- 9. The market's dimensions become important here. There may be little competition. Similar prices might result from using the same cost-plus pricing procedures. It could be argued that many small food retailers are outstanding examples of monopolists. They have a following of consumers who, for the most part, do no shopping elsewhere and have little knowledge of prices and selection in other stores. Further, these consumers might have no interest or desire to search out alternate sources of supply. Thus, the conditions for pure competition are not met. Examples of pure competition are very difficult to find in the real world. They are summarized below for the instructor's convenience:

(1) Large number of buyers and sellers offering to buy and sell under exactly the same conditions.
(2) Perfect knowledge about the demand and supply conditions for identical products.
(3) Ease of market entry and exit.
(4) Completely economic behavior, i.e., decisions motivated only by price considerations, not psychological factors. (This was not mentioned explicitly in the text, but it is assumed implicitly.)

A- 10. Pure competition examples are not easy to come by. Even the (commodity) grain products sold in central markets like Minneapolis and Kansas City can be thought of as different "products.” ” But the conditions of pure competition come closest to being met in such large centralized public markets.

Any kinds of products could be listed for the monopolistic competition examples.

It should be expected that the marketing mixes for some of these products will be similar, as their characteristics and their market situations are similar. This question encourages the students to begin to categorize products, anticipating the material in Chapter 8 and the subsequent material on Place and Promotion that is related to these product classes. Using the blackboard to list and organize the students' suggestions, this question can be used – like cases – to draw out principles and generalizations.

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A- 11. This question is challenging because, theoretically, the products, but more broadly the marketing mixes, of the competitors should be seen as identical. In this situation, we then would expect to find a kinked demand curve situation facing each competitor. In the real world, most firms attempt to differentiate their offering somewhat, and so it is much easier to find examples of monopolistic competition. But where competing executives really do not have confidence that they have successfully differentiated their offering, they may tend to treat pricing as though they were in an oligopoly. In other words, they will rather mechanically meet competitors' prices and hesitate to be the first to raise prices. This is probably why some competitors are willing to talk about price – and collude if possible. None of them feel confident enough about their understanding of the market and competitive activity to play the price leader role. So they are quite willing to agree with competitors about formulas or guidelines for raising prices – perhaps based on an "equitable" passing along of cost increases.

DISCUSSION OF MARKETING ANALYTICS: DATA TO KNOWLEDGE FOR USE WITH APPENDIX A

There is not a *Marketing Analytics: Data to Knowledge* specifically for this appendix. However, *Marketing Analytics: Data to Knowledge 3* (see the discussion in the notes for Chapter 3) works well with the discussion of competition in this appendix.

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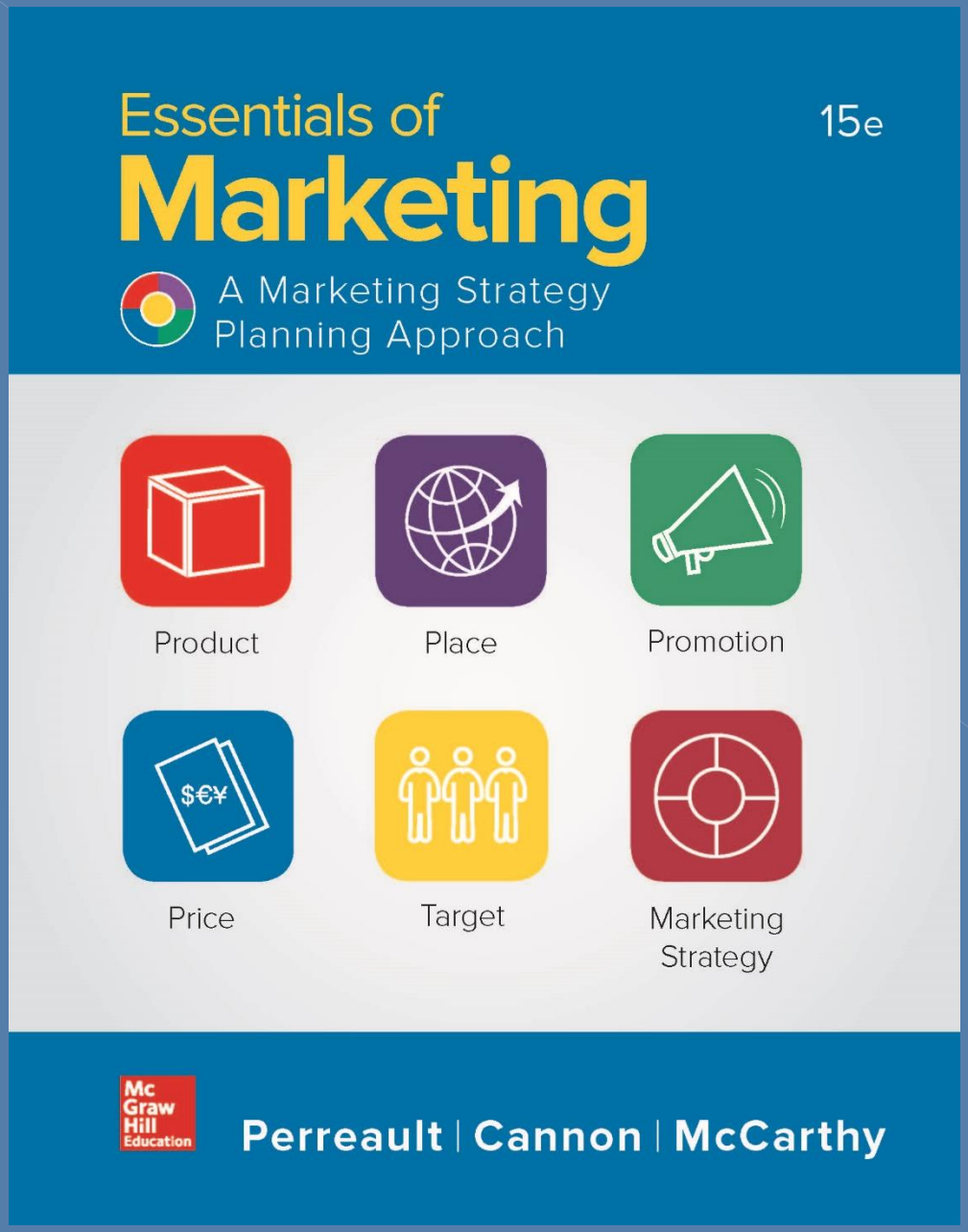

Chapter 2

Marketing Strategy Planning

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At the end of this presentation, you should be able to:

1. understand what a marketing manager does.
2. know what marketing strategy planning is—and why it is the focus of this book.
3. understand target marketing.
4. be familiar with the Four Ps in a marketing mix.
5. know the difference between a marketing strategy, a marketing plan, and a marketing program.

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At the end of this presentation, you should be able to:

6. understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.
7. be familiar with the text's framework for marketing strategy planning..
8. know four broad types of marketing opportunities that help in identifying new strategies.
9. understand why strategies for opportunities in international markets should be considered.
10. understand important new terms.

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The Marketing Management Process(Exhibit 2-1)

Whole-company strategy management planning
Match resources to marketing opportunities

Marketing planning
- Set objectives
- Evaluate opportunities
- Create marketing strategies
- Prepare Marketing Plans
- Develop marketing program

Implement marketing plan(s) and programs

Control marketing plan(s) and program
- Measure results
- Evaluate progress

Adjust plans as needed

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A Marketing Strategy (Exhibit 2-2)

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Checking Your Knowledge

An entrepreneurial teenager decides to start a new dog-walking business aimed at dog owners who have to leave their pets at home alone during regular working hours. The teenager develops a thorough description of the people in her target market and their needs. She then comes up with a general outline of the services she will offer, some price ranges, the geographic area she will serve, and some low- cost promotion ideas. What has she developed so far?

A. A marketing program
B. A marketing plan
C. A SWOT analysis
D. A marketing strategy
E. Differentiation and segmentation

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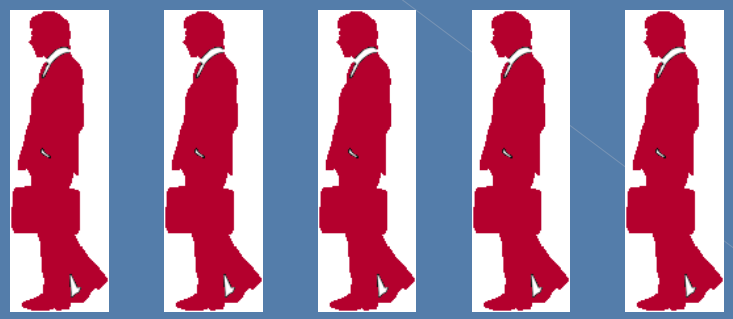
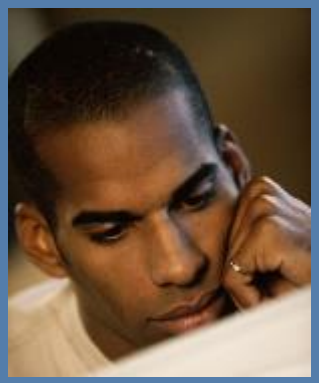
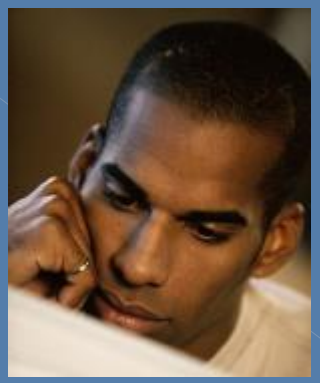
Production-Oriented and Marketing-Oriented Managers Have Different Views of the Market(Exhibit 2-3)





Production-oriented manager sees everyone as basically similar and practices "mass marketing"



Marketing-oriented manager sees everyone as different and practices "target marketing"

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Checking Your Knowledge

General Motors is considering increasing the length of its bumper-to-bumper warranty on new vehicles from 3 years to 5 years. The marketing mix variable being considered here is:

A. product.
B. personnel.
C. place.
D. promotion.
E. price.

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Developing Marketing Mixes for Target Markets (Exhibit 2-4)

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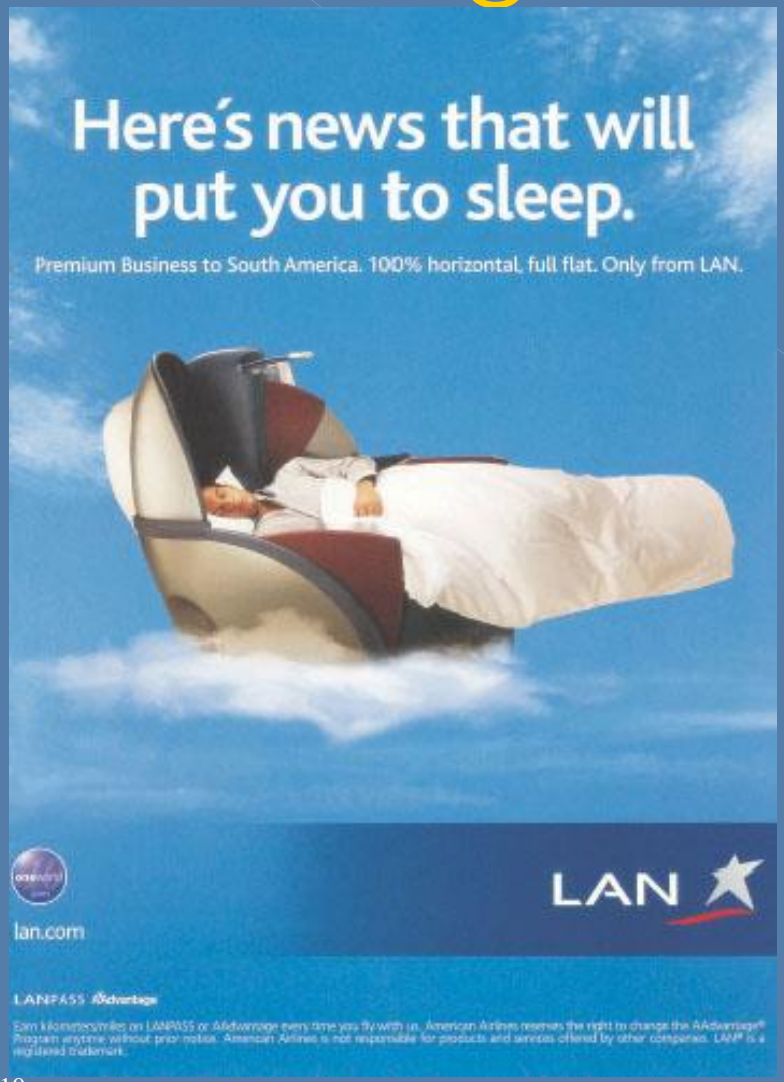
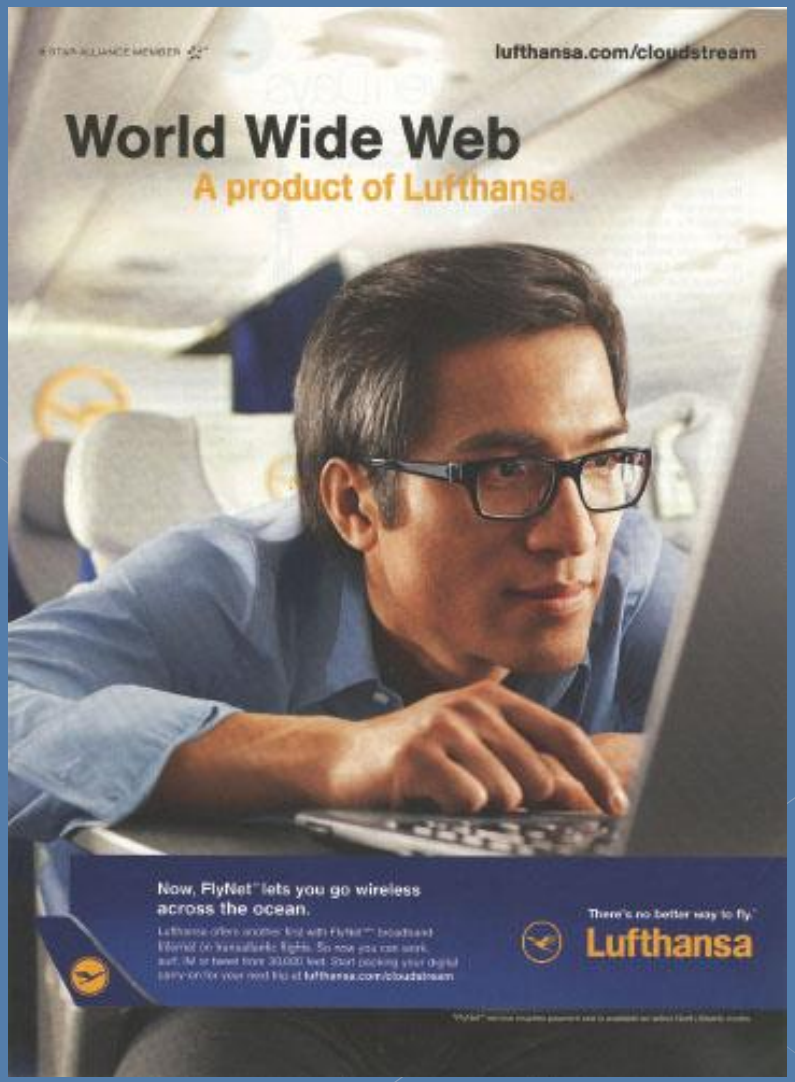
The Product Element of the Marketing Mix





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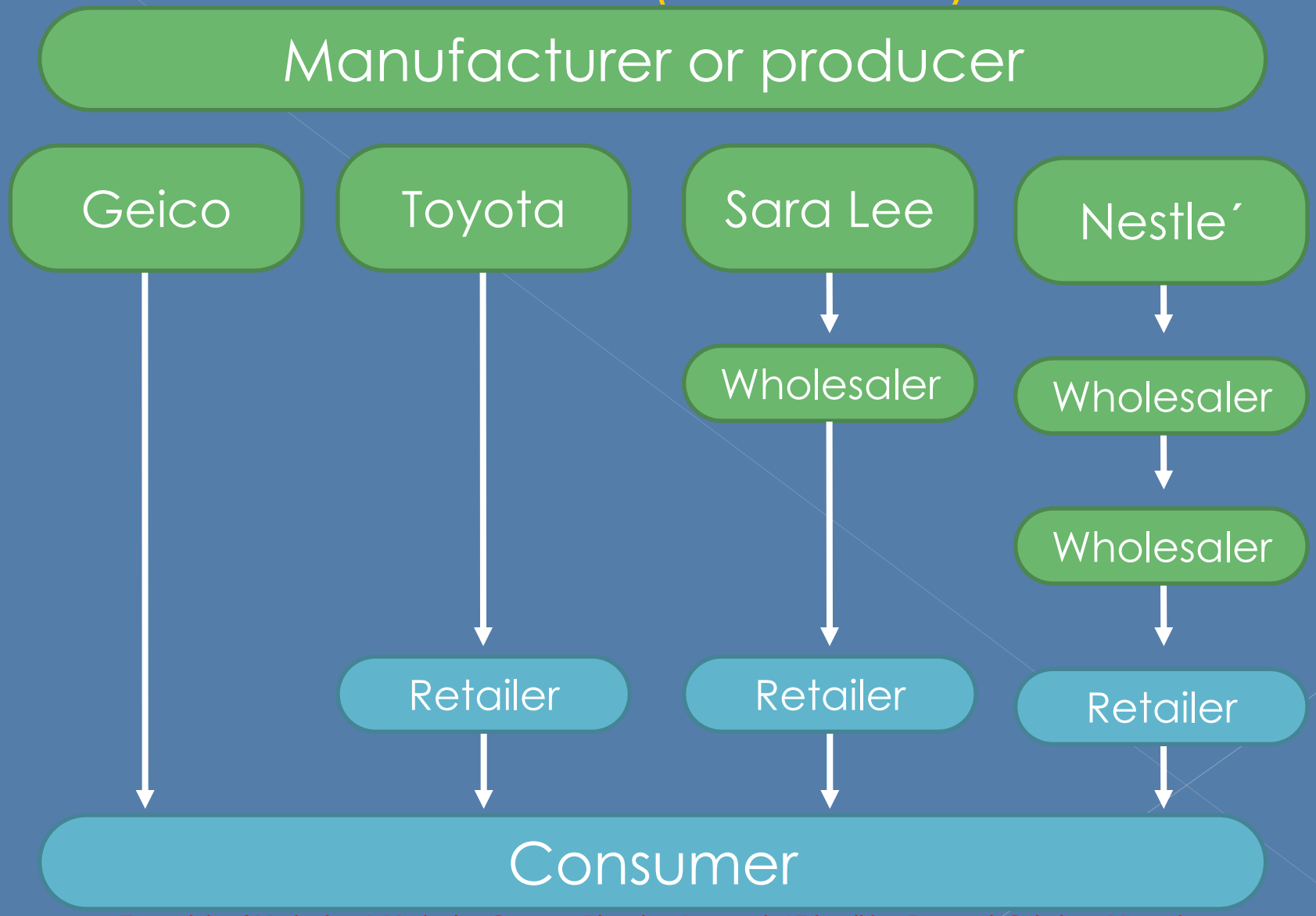
Four Examples of Basic Channels of Distribution for Consumer Products (Exhibit 2-6)



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The Promotion Element of the Marketing Mix

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Checking Your Knowledge

A television network is trying to generate interest in a new television show in advance of its premiere. The network sends out press releases and makes the star of the new show available for guest appearances on TV and radio talk shows. The marketing mix variable involved here is:

A. product.
B. personnel.
C. place.
D. promotion.
E. price.

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The Price Element of the Marketing Mix

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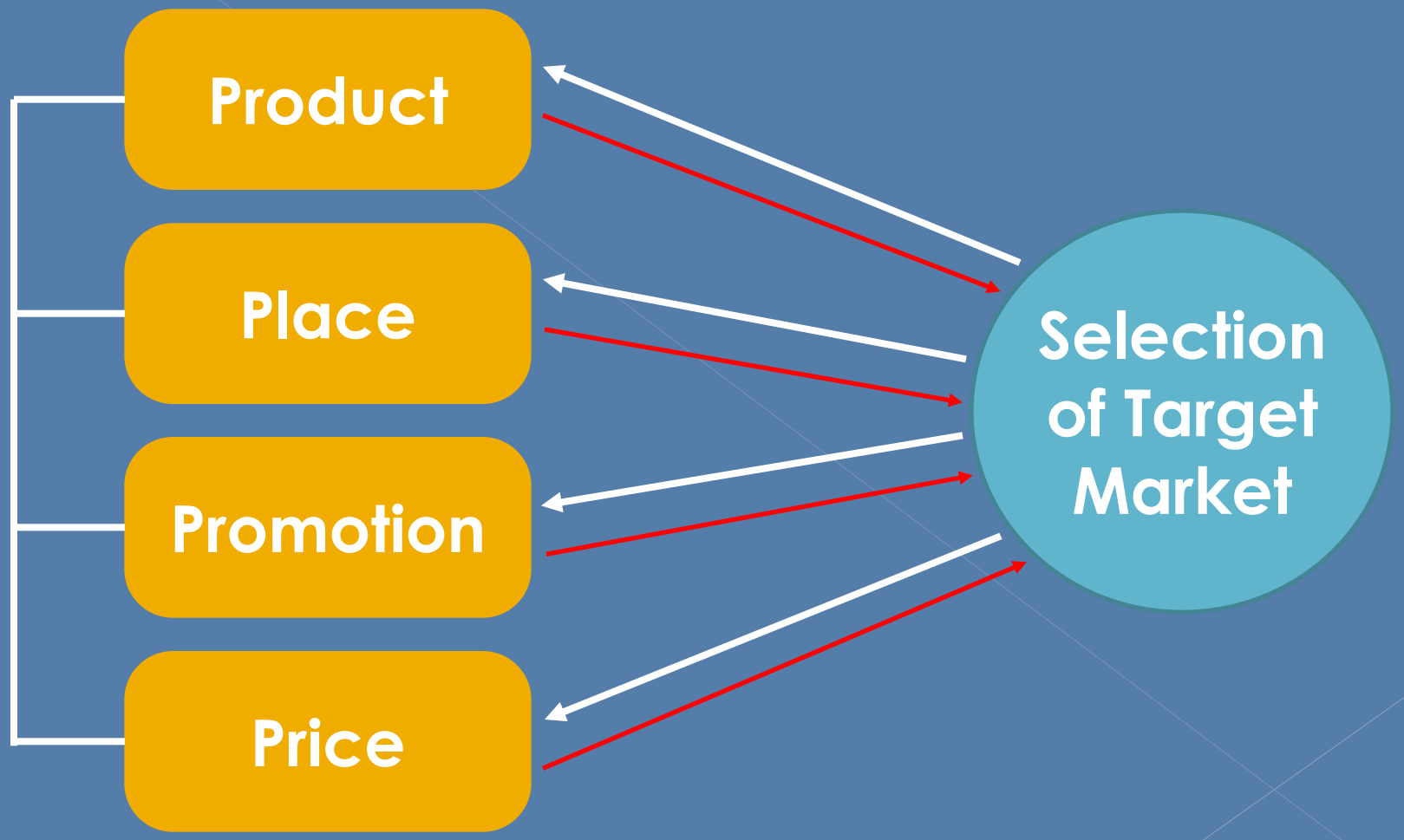
All Four Ps Contribute to the Whole



Understanding the Target Market Leads to Good Strategies!

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Elements of a Firm's Marketing Program (Exhibit 2-8)

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The Importance of Good Research

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Checking Your Knowledge

A large consumer products company markets several different lines of products, with many individual products in each line. Each product has its own marketing plan. The company president wants to bring together all of the different marketing plans into a single integrated document that can become part of the company's strategic plan. It appears that the company president plans to create a(n):

A. marketing super-plan.
B. marketing program.
C. marketing strategy.
D. operational plan.
E. mass-marketing approach.

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Recognizing Customer Lifetime Value and Customer Equity

Relationships that develop satisfied customers + **Who purchase more over time** = **<u>Lifetime</u> value of customers**

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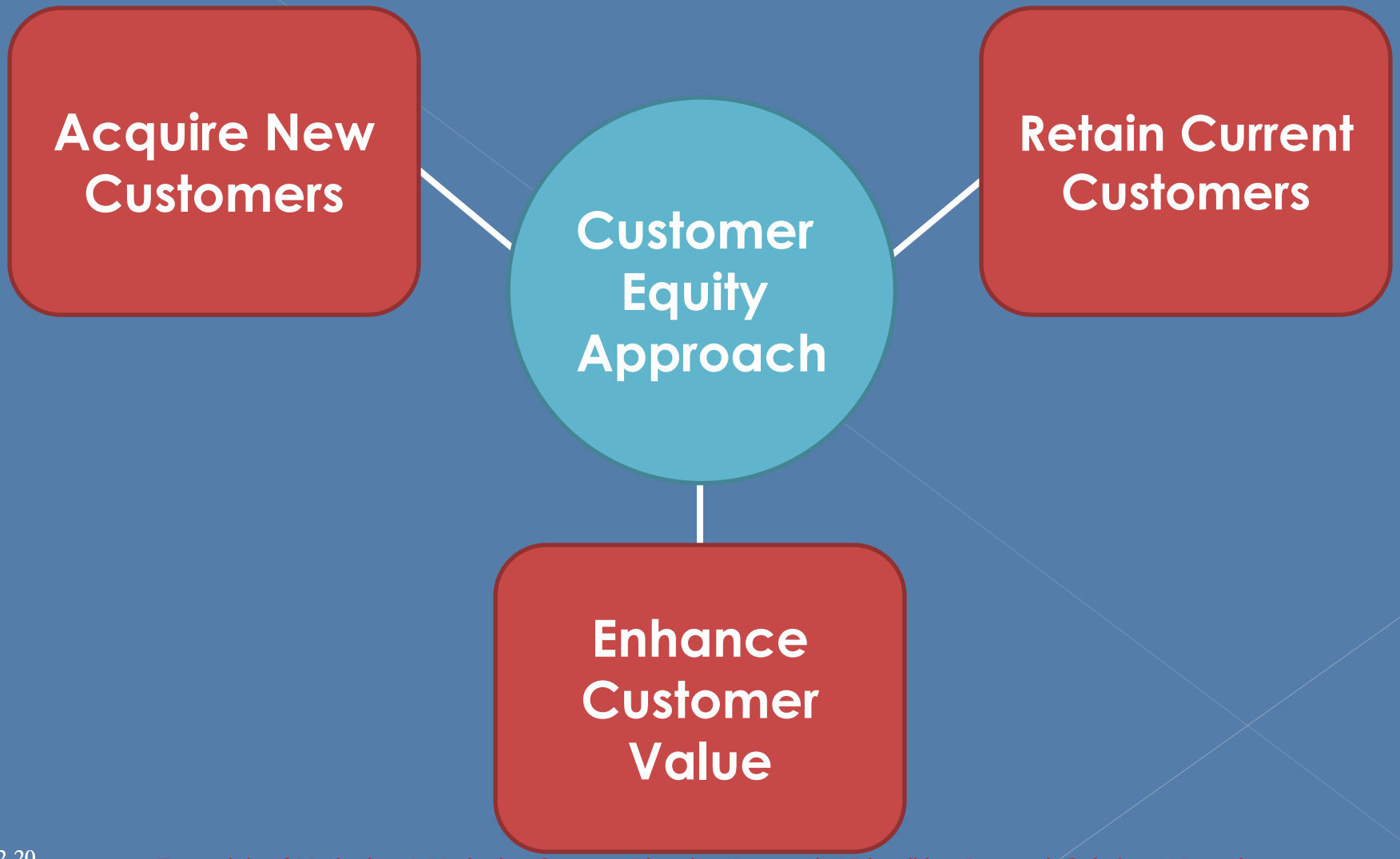
Customer Lifetime Value and Customer Equity



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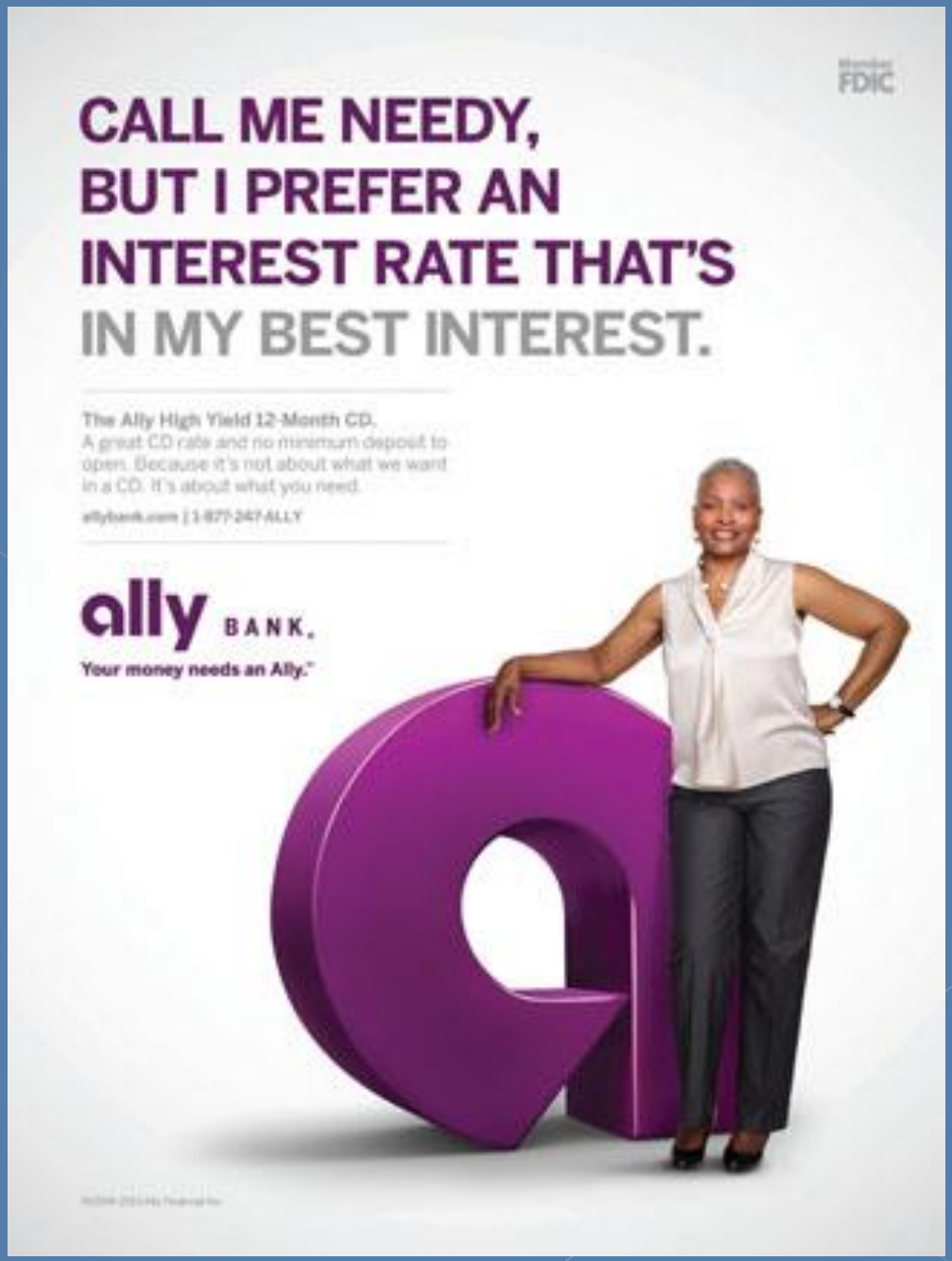
Recognizing Customer Lifetime Value and Customer Equity



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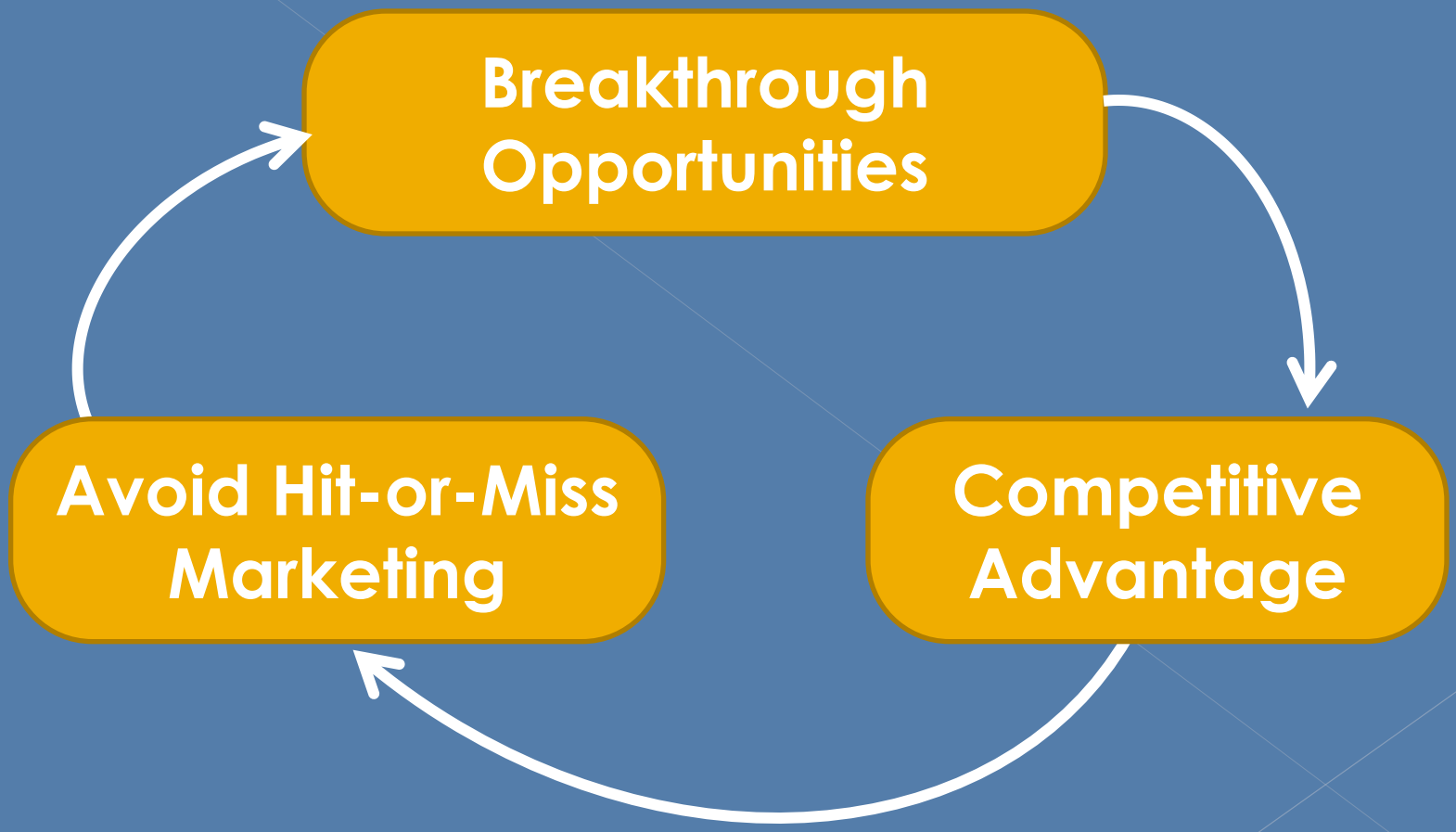
Attractive Opportunities



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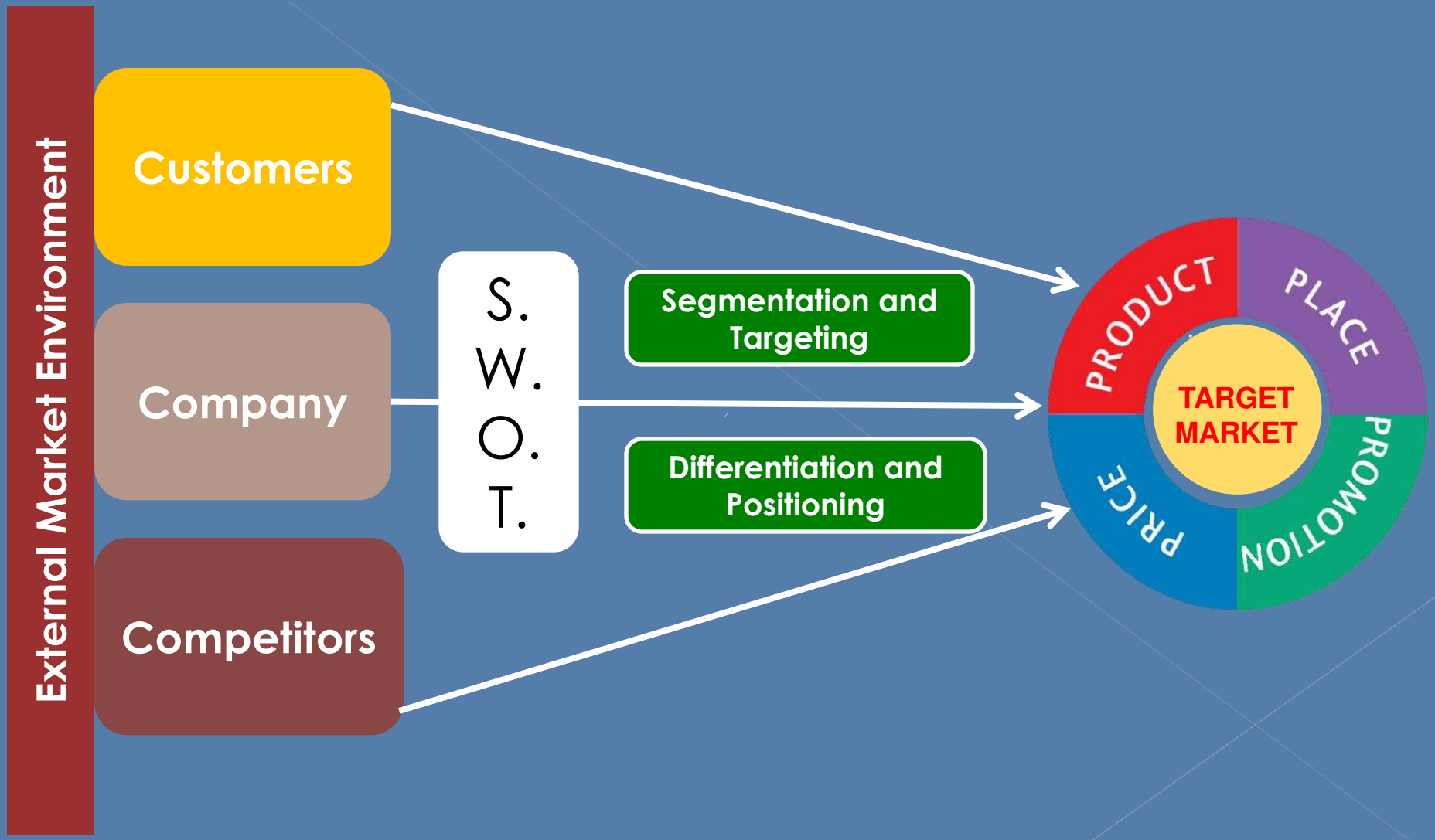
Overview of Marketing Strategy Planning Process(Exhibit 2-9)



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Marketing Strategy Planning

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Checking Your Knowledge

A large metropolitan university has an established summer- school program that offers a wide variety of classes to its current students. To expand enrollment, the school started promoting its summer school to students who live in the area and are home for the summer, even though they attend other universities during the regular school year. This effort is an example of:

A. market penetration.
B. market development.
C. product development.
D. diversification.
E. a breakthrough opportunity.

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Market Penetration

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Checking Your Knowledge

An electronics superstore sends a special coupon to its current customers offering them a special discount for purchases made during an upcoming week that occurs during a traditionally slow sales period. This is an example of:

A. market penetration.
B. market development.
C. product development.
D. diversification.
E. a breakthrough opportunity.

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Product Development

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Product Development

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International Opportunities Should Be Considered

- Smaller World
- Competitive Advantage
- Early Start
- Better Trends
- Risks Involved

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Key Terms

1. marketing management process
2. marketing strategy
3. target market
4. marketing mix
5. target marketing
6. mass marketing
7. channel of distribution
9. personal selling
10. customer service
11. mass selling
12. advertising
13. publicity
14. sales promotion
15. marketing plan
16. implementation
17. operational decisions
18. marketing program

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Key Terms

19. customer lifetime value
20. customer equity
21. breakthrough opportunities
22. competitive advantage
23. S.W.O.T. analysis
24. differentiation
25. market penetration
26. market development
27. product development
28. diversification

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Part II:

Overview of the major elements of P.L.U.S.

INTRODUCTION

The purpose of this part of the *Instructor's Manual* is to provide you, in one place, with an overview of the major elements of *P.L.U.S.* (short for *P*rofessional *L*earning *U*nits *S*ystems) that are available to you. This section provides an overview of the major elements of *P.L.U.S.*:

- *Essentials of Marketing*, *15th edition*
    - What's new in this edition of *Essentials of Marketing?*
- *SmartBook with LearnSmart*
- *Instructor's Manual & Digital Implementation Guide to Accompany Essentials of Marketing*
    - Overview of all teaching/learning units as well as suggested answers to all questions, exercises, and assignments
- Interactive PowerPoint Lecture Slides and Scripts
- *Bank of Objective Test Questions*
- Video Package for *Essentials of Marketing 15e:* TEachign Videos, Video Cases and New iSeeIt! Videos
- Connect for *Essentials of Marketing 15e*
- Find "Instructor Resources" for *Essentials of Marketing 15e* on Connect (Library→Instructor Resources) at the Online Learning Center for *Essentials of Marketing 15e*.
- Author blog for Instructors – Teach the 4 Ps
- *Essentials of Marketing* cartridges for your Learning Management System

ESSENTIALS OF MARKETING, 15th Edition
by Perreault, Cannon, and McCarthy

The whole text has been thoroughly revised and updated. Each chapter in *Essentials of Marketing* features the following:

- Learning Objectives - at the start of the chapter.
- Revised and updated text material - including hundreds of new, carefully integrated examples based on well-known companies - as well as smaller, entrepreneurial companies.
- Relevant illustrations - new and continuing full-color ads and photographs selected, positioned, and annotated by the authors to effectively illustrate concepts in the text.
- Exhibits (charts, tables, graphs, and conceptual organizers) – many new and updated exhibits help students understand key concepts.
- Online Toolkits (previously "Internet Exercises') - two per chapter, with many new and updated for this edition. These give students another learning experience and an opportunity to see how marketing managers use the Internet in marketing strategy planning.
- Ethical Dilemmas–one per chapter. These are based on "gray area decisions" faced by real people working in the field of marketing. In this edition, to make the exercises more engaging,
- "What's Next?" – highlighted and "boxed" special topics take a forward-looking perspective on marketing practice by looking at trends and emerging practices. Many are new to this edition.
- *NEW* - "What's Now?" – this new end-of-chapter exercise provides a link to current articles, concepts, and ideas – updated each semester.
- Integrated treatment of important topics – including "big data," e-commerce, sustainability, social media, customer value, the impact of the Internet, relationship marketing, international marketing, and marketing ethics.
- Key Terms – are emboldened and clearly defined when they are first used – and also listed alphabetically in the glossary at the end of the text.

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- End-of-chapter Questions and Problems – answers for which are given in Part IV of this manual.
- Marketing Planning for Hillside Veterinary Clinic exercise – ties concepts from the chapters with a real marketing plan for Hillside Veterinary Clinic (plan in Appendix D).
- Suggested Cases – 38 written and 8 video cases based on well-known companies. Teaching notes on the 38 regular cases are provided in Part V of this manual, and additional comments are provided with the chapter-by-chapter materials in Part IV. The video cases have their own instructor's manual.
- *NEW* – "Marketing Analytics: Data to Knowledge" problem provides the text of analytics exercises located at the *Essentials of Marketing* Connect site. Part III of this manual provides more information about these activities which are based on the Computer-Aided Problems in previous editions of *Essentials of Marketing*.

At the back of the text book you will find the following:

- Appendix A: Economics Fundamentals
- Appendix B: Marketing Arithmetic
- Appendix C: Career Planning in Marketing
- Appendix D: Hillside Veterinary Clinic Marketing Plan
- Bonus Chapter 1: Implementing and Controlling Marketing Plans: Evolution and Revolution (full chapter content available online through Connect/SmartBook)
- Bonus Chapter 2: Managing Marketing's Link with Other Functional Areas (full chapter content available online through Connect/SmartBook)
- Video Cases - supported with accompanying video and additional background information and lecture/discussion ideas in the Video Instructor's Manual. The Premium Online Learning Center also features video clips to accompany the video cases.
- Cases – 38 print cases, most revised, three are completely new.
- Glossary
- Endnotes – keyed references in each chapter
- Name Index, Company Index, *and* Subject Index

WHAT'S NEW IN THIS EDITION OF *ESSENTIALS OF MARKETING*?

There are several big changes to this edition of *Essentials of Marketing* and hundreds of smaller ones. *Essentials of Marketing* is quick to recognize the many dramatic changes in the market environment and marketing strategy—we are also quick to jump on new pedagogical innovations. So here is a short overview that highlights what we changed for the fifteenth edition of *Essentials of Marketing.*

Digital Updates

SmartBook®—SmartBook is the first and only adaptive reading experience available in higher education. Powered by an intelligent diagnostic and adaptive engine, SmartBook facilitates reading by continually adapting material to focus on students' knowledge gaps and content yet to be mastered. SmartBook for *Essentials of Marketing* 15e contains 19 chapters plus two new bonus chapters (see content updates, next page). The free SmartBook® app (iOS, Android) lets students engage with coursework anytime, anywhere.

Connect® Marketing employs the science of learning to enhance the art students experience in your classroom. Use these powerful tools to easily manage assignments and free up more time for teaching:

- *New* "Marketing Analytics: Data to Knowledge" exercises – all auto-graded on Connect – help help students learn more about how some basic spreadsheet analytics guide marketing strategy decisions.
- *New* Interactive iSeeIt! Videos help you teach and reinforce core learning objectives. Short 2-4 minute videos demonstrate key concepts. The videos can be assigned with auto-graded questions in Connect or shown in class to support lectures and/or stimulate discussion.

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- Interactive Video Cases challenge students to apply course concepts to real life, fostering their ability to think critically during and after the introductory marketing course. These auto-graded exercises provide immediate feedback to supplement students' learning and prepare them for class.
- Connect Online, auto-graded AACSB and Bloom's taxonomy-tagged homework, quizzes, and tests provide students with immediate, detailed feedback, allowing them to more easily focus on the areas where they need improvement. Using Connect enables you to easily pull data that assesses specific learning outcomes and make accreditation reporting easy.
- Tegrity lecture capture tool built into Connect makes class time available 24/7 - automatically capture searchable lectures with a simple one-click start-and-stop process. Students can replay any part of any class on their computers or with the free Tegrity app (iOS and Android).
- *Practice Marketing* Simulation gives your students practice applying the the marketing strategy planning process model by taking on the role of marketing manager for a producer of backpacks. This virtual internship allows students to apply course concepts in a real life marketing scenario. Available via mhpractice.com.

Content Updates

Essentials of Marketing 15th edition emphasizes 1) currency, 2) owned, earned, and social media, 3) marketing analytics, and 4) active learning throughout.

Currency is a central focus of every edition of *Essentials of Marketing*. Technology and customer behavior continually are evolve in a fast-changing marketplace, and marketing practice itself is evolving. Instructors want current content and current examples. To prepare students to work in this new world, a textbook must be up-to-date and provide more than a passing nod to the future. In this edition:

- Hundreds of new examples and engaging images (ads and photos)
- Our in-chapter *What's Next?* boxes, provide a look ahead at potential future marketing practices
- Our end-of-chapter *What's Now?* links are updated every semester, connecting students to current content and examples
- Increased attention to marketing analytics and big data in every chapter
- And of course, the fastest changing area of marketing—promotion – is particularly emphasized…

***New chapter* (16) covers the continuing growth of "owned," "earned," and social media** in the promotion blend. For the last decade, these media represent the hottest trend in marketing practice. Previous editions of *Essentials of Marketing* have carefully integrated these topics across the textbook. While that is still the case, the prominence of these tools—and their nuance in the promotion blend—now merit an entire chapter. With that comes deeper coverage of owned media (a company's own website, web pages, brochures, and blogs), earned media (press coverage and word-of-mouth), and social media (Facebook, Twitter, LinkedIn, and more). The new chapter 16 follows the *Essentials of Marketing* tradition with conceptual organizers to help students understand why and how these tools best fit in a contemporary promotion blend.

***New* Marketing Analytics exercises.** This edition builds on the previous edition's focused attention to marketing analytics and integration of "big data" examples across chapters. Marketing strategy decisions are increasingly data-driven, with almost every chapter providing students with more exposure to analytics – some chapters include examples or topical coverage, most chapters have new "Marketing Analytics: Data to Knowledge" end-of-chapter/Connect exercises based on activities in previous editions.

Active Learning. Connect and SmartBook offer exercises and activities to ground your students in understanding and applying marketing's foundational concepts. Now instructors can utilize SmartBook tracking and Connect exercises to assure students are prepared for class and use class time for more active learning activities. The 15th edition contains many new active learning exercises:

- ***What's Next?*** Active learning boxed elements in each chapter, each updated to make them more forward-focused on what lies ahead in marketing. Each box offers an in-depth analysis of some trend or marketing future and asks students about its implications.

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- ***What's Now?*** End-of-chapter "links" to current articles and topics provide students with very current topics and fodder for discussion.
- **Ethical Dilemma** exercises have been updated from previous editions, with a focus on students making decisions in gray areas, many introduced by new technologies used in marketing.
- **Online Toolkit** in-chapter exercises (two per chapter) expose students to online tools and resources used by marketing managers, each of which comes with discussion questions for class or homework assignments.
- **Marketing Analytics: Data to Knowledge:** This end-of-chapter exercise—assignable and auto-graded through Connect—utilizes spreadsheets within Connect that allow students to experience how marketing managers analyze data. Using concepts and examples from each chapter, the exercises build higher-order learning skills and demonstrate data-driven marketing decision making. Each practical exercise walks students through a real-life scenario, shows them how to use a spreadsheet to find information, and then asks (optional) discussion questions designed to build critical thinking skills. Assign these exercises and follow up with in-class discussion and activities to make sure students can apply this knowledge.
- **Activate (add active learning exercises) or Flip Your Marketing Classroom:** Write the author, Joe.Cannon@colostate.edu for a copy of his e-book that describes how to add more active learning or completely "flip" your marketing class. The e-book features exercises and activities to use with *Essentials of Marketing* 15e.

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Chapter-by-Chapter Updates

1 Marketing's Value to Consumers, Firms, and Society	• Several examples updated for currency.
2 Marketing Strategy Planning	• Updated opener and refreshed examples throughout the chapter. Introduced the sample marketing plan (Appendix D). • Updated and clarified customer lifetime value and customer equity in the text and in the new Online Toolkit exercise. New images reinforce concepts. • Chapter streamlined with the deletion of section, "The Importance of Marketing Strategy Planning" and an extended example of Ford Motor Company. The old example could be used in a lecture.
3 Evaluating Opportunities in the Changing Market Environment	• Traditionally one of the longest chapters, we streamlined coverage of all topics. • Amazon opener, significantly updated for currency • More depth added to discussion of mission statement • Major revision of competition section – addition of competitor matrix (Exhibit 3-3) and discussion of the four market (competitive) situations re-ordered to help students see the flow from monopoly to oligopoly to pure competition to monopolistic competition • NAFTA coverage tightened with discussion of free trade (added as new key term) more generally • New high-interest boxed element – "What's Next? 3D printing set to save time, money and lives" • Technology section updated with discussion of implications of driverless cars • Statistics and data related to demographics have been updated for currency. • New example of social cultural trends focuses on organic foods
4 Focusing Marketing Strategy with Segmentation and Positioning	• Updated chapter opener to reflect continued success of LEGO and its increased emphasis on the girls' market. • Introduce and describe use of buyer personas in segmentation • New section on targeting customers thru their smartphones. GPS tech allows marketing managers to know where potential customers linger
5 Final Consumers and Their Buying Behavior	• Updated chapter opening case to reflect Apple's newest product (Apple Watch). • New section integrates influences of international markets, culture and ethnicity on consumer behavior—including a new learning objective (LO): Describe how culture and ethnicity influence consumer buying behavior. • Hierarchy of needs and selective processes were updated and clarified, exploring whether customers learn needs from marketing. • New coverage on role of the Internet in opinion leadership • New high-interest boxed element – "What's Next? Will sharing replace owning?" examines the "sharing economy" through alternatives to car ownership. • Revised discussion of social media and how it boosts social influence, drawing on most recent research • New key term purchase situation

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6 Business and Organizational Customers and Their Buying Behavior	• Updated section and exhibit emphasizing differences between organizational and consumer buying behavior. • More on the importance of useful, relevant content on websites • Updated high-interest boxed element – "What's Next? Saving money and the planet" • Responding to reviewer feedback, more coverage of manufacturers as customers and removed chart that detailed size distribution of manufacturing establishments • Updated and re-organized Conclusion to better summarize chapter
7 Improving Decisions with Marketing Information	• Revised and updated coverage of big data and large data sets • New high-interest box – "What's Next? Big data predicts pop music hits" • Major updates reflecting new information on approaches to searching the Web • Updated and expanded coverage of surveys, including new examples • Section on ethnographic research revised for clarity • Updated cross tabs example in exhibit 7-6 with data on smartphone usage • Reflecting technology's heavy influence on marketing research, new material is included on how innovations in information technology refine the marketing research process. Updated sections on quantitative and qualitative research. • New Online Toolkit exercise features popular searches by 18-25 year olds
8 Elements of Product Planning for Goods and Services	• Under Armour case opener updated for currency • Reorganized section on "What is a Product", with greater emphasis on "experiences" as a component of product and "product" as both a tangible good and an intangible service • More logical placement of "product lines" and "product assortment" – these discussions moved forward in book so that they follow "What is a Product" • Apple example in "Product lines require strategy decisions" replaced with more-relevant UPS example • New material, "Adding services to goods to differentiate," added to end of discussion about how combining goods and services can clinch the sale. • More on "word-of-mouth" as an outcome and driver of brand insistence • New example illustrating the importance of brand naming: A-1 Steak Sauce changed to A-1 Sauce to capture a bigger market • Updated reference to Coke in discussion of most valuable brand names • In-N-Out sues Chadders added as an example of protecting one's brand • New counterfeiting example: knockoff Apple store in China • Paragraph clarifying the differences between private label and dealer brands added to discussion of "Who's winning the battle of the brands?" • More emphasis on why retailers develop dealer brands • More on service guarantees. LL Bean, Land's End, and Hilton hotels serve as examples of the latest and greatest companies to do guarantees right. • Updated high-interest boxed element – "What's Next? The Internet of things connects products"

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9 Product Management and New-Product Development	• iRobot opener updated for currency • Product life cycles discussions updated and contemporary examples added • Updated and clarified coverage of "fads" • Added section on how patent law and copyright law protect innovations and creative ideas • New exhibit (9-5) more clearly illustrates the new-product development process • Updated coverage of the culture of innovation, with Google's incentivizing culture as an example • New key term – patent
10 Place and Development of Channel Systems	• New case opener focuses on Lenovo – evolution from previous Dell case • Expanded coverage of direct vs. indirect distribution including new examples • Coverage of channel specialists re-organized to improve clarity • Under topic of channel relationships, managing conflict has been emphasized to reflect its importance. • Clarified coverage and new examples of distribution (direct/indirect, single-channel/multichannel/reverse channel, international, etc.) throughout chapter. • New high-interest boxed element – "What's Next? Bits and bytes need distribution, too" examines distribution of digital products (music, TV, movies, books).
11 Distribution Customer Service and Logistics	• Opener updated to include information about how Coca-Cola is using its clout to distribute clean drinking water to people in remote parts of the world. • Revised, clearer discussion of trade-offs between physical distribution costs, customer service level, and sales, with new example of a store that trimmed inventory too much and gave the unappealing appearance of a store in distress. • Updated high-interest boxed element "What's Next? Disaster relief logistics are life and death" • New examples throughout—including a discussion of drones as a form of distribution transportation. • Dropped key term piggyback service
12 Retailers, Wholesalers and Their Strategy Planning	• Macy's case opener updated for currency • New Learning Objective LO 1: Understand the nature and basic structure of retailing. • Significant revision and expansion of retailing and the Internet, themes also woven throughout all applicable material. • Multichannel shopping coverage expanded • New Online Toolkit exercise on Alibaba helps understand wholesaling in action • New high interest boxed element – "What's Next? Technology drives strategy changes in brick-and-mortar retail" that examines how leading retailers are using technology • Key terms dropped – cooperative chain and voluntary chain • New key terms – omnichannel and multichannel shoppers
13 Promotion—Introduction to Integrated Marketing Communications	• GEICO opener updated for currency and old examples replaced with new, current material • Improved explanation of mass selling—how it incorporates advertising and publicity • New Online Toolkit features the Ad Freak blog • New boxed element "What's Next? Once upon a time…" covers how stories can sell a product or idea. • Streamlined chapter content per reviewer feedback, trimming tangential topics from the discussion of the communication process and moved some content to the new chapter 16 (opinion leaders, some owned media)

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14 Personal Selling and Customer Service	• New section on the benefits of specializing by product lines (more expertise to customers) • Questions added to high interest boxes and vignettes to increase student engagement with material

15 Advertising and Sales Promotion	• Updated case opener on Subway
	• Updated Learning Objectives (LO):
	  ○ New LO1 Recognize the importance of advertising in the economy.
	  ○ New LO8 Describe the challenges and methods used to measure advertising effectiveness.
	  ○ Moved Publicity LO and related content to new chapter 16
	• Completely revised treatment of digital advertising, more coverage of advertising on mobile devices (which appears to finally be breaking through in practice)
	• Increased coverage of the effectiveness (or not) of mass selling by advertising and sales promotion.
	• Data in Exhibits 15-5 (spending overall, spending as a percentage of sales, number of people employed in advertising)
	• New Exhibit 15-6 “Types of Digital Advertising” – includes type of digital ad, advantages and disadvantages of each
	• More coverage of advertising effectiveness – particularly around digital media
	• Expanded coverage of big data – advances in technology make targeting customers easier.
	• New examples of breaches in trust/ethics when it comes to big data, with follow-up scenarios that challenge students in “gray” areas. New example of unfair advertising – in China
	• Updated box “What’s Next? Does advertising everywhere get us anywhere?”
	• Extended, new section on the controversial practice of native advertising including a new Ethical Dilemma box and exercise.
	• New Online Toolkit featuring the work of award winning ad agency Droga5.
	• New concepts and key terms: advertising media (with discussion of how the media world is becoming increasingly focused on digital and mobile media), pay-per-click (with explanation of how advertisers pay only for the ads on websites that are accessed by the web users), and retargeting (how companies/ads follow a web user based on their browsing habits).
	• Moved content previously in section on Publicity to chapter 16

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16 Publicity: Promotion Using Earned Media, Owned Media, and Social Media	• This chapter is almost completely new content – with previous, briefer content from chapter 15 significantly revised or replaced. • Opener focuses on HubSpot and the philosophy of inbound/outbound promotions. • The components of publicity (earned media and owned media) are contrasted with advertising (paid media). • Publicity's place in the promotion blend is clearly and concisely presented. • Costs of paid, earned, and owned media (relative to returns) are explored and contrasted. • Customer trust of publicity types compared and contrasted with trust of advertising, emphasizing the importance of publicity in the promotion blend. • Customers discover products through search, pass-along, or experience, three methods comprehensively described in this chapter. • Ethical Dilemma examines "black hat" practices in search engine optimization. • New high-interest boxed element – "What's Next? Take STEPPS to go viral" describes author and Wharton professor Jonah Berger's STEPPS for getting messages to go viral: Social currency, Triggers, Emotion, Public, Practical value, and Stories. • Highlighted promotion benefits of branded services (like charging stations for electronic devices). • Numerous methods of educating and helping customers are covered, including white papers, case studies, blogs, infographics, and branded apps. • In-depth coverage of social media—Facebook, Twitter, LinkedIn and others are explored and contrasted. • Chapter concludes with a discussion of marketing automation software and how this increasingly serves marketers in targeting customers. • Some end of chapter questions moved from chapter 15, most new to this edition. • New Marketing Analytics: Data to Knowledge exercise.
17 Pricing Objectives and Policies	• Updated chapter opening case on Method cleaning products • New Learning Objective – LO1: understand the dimensions of price and value. • More on the societal and ethical dimensions of value, with a new example taken from current debates on government-funded health care. • New "What's Next? Putting a price (and value) on life" this high-interest box challenges readers to value how much individuals and society should pay for cures. What if a medication only extended life for 6 weeks, but cost $30,000. Worth it? Two other scenarios presented. Allows for ethical discussion of prices

18 Price Setting in the Business World	• Significantly revised chapter-opening case, now focused on Samsung
	• New learning objectives added:
	  ○ LO6 Understand other demand-oriented factors that influence price setting
	  ○ LO7 Explain full-line pricing and factors influencing such decisions
	• Updated What's Next? box on "freemiums" (vendor giveaways) with popular product examples for the college set.

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19 Ethical Marketing in a Consumer-Oriented World: Appraisal and Challenges	• Opener updated for currency • "What's Next?" box updated for currency
Bonus Chapter 1: Implementing and Controlling Marketing Plans: Evolution and Revolution	• Previously chapter 18 in *Basic Marketing* 19e (our companion text). • Included with Connect/SmartBook and available in print via create.mheducation.com • Updated for currency with several examples updated or replaced with more current examples • Builds on implementation and control (concepts introduced in Chapter 2) with more depth and how-to approaches for making implementation and control more effective. • Discusses how new information technology tools facilitate these practices and demonstrates how firms use sales analysis, performance analysis, and cost analysis to control marketing strategies and plans.
Bonus Chapter 2: Managing Marketing's Link with Other Functional Areas	• Previously chapter 19 in *Basic Marketing* 19e (our companion text). • Included with Connect/SmartBook and available in print via create.mheducation.com • Revised chapter covers some of the important ways that marketing links to other functional areas. • Emphasizes the most important ways that cross-functional links impact your ability to develop marketing strategies and plans that really work, not the technical details of these other functional areas. • Includes separate sections that describe how finance, production and operations, accounting, information systems and human resources interact with marketing to create and implement successful marketing plans.
Appendix A: Economics Fundamentals	• No major changes
Appendix B: Marketing Arithmetic	• No major changes
Appendix C: Career Planning in Marketing	• Updated for currency • New sections reflect emerging marketing career opportunities
Appendix D: Hillside Veterinary Clinic Marketing Plan	• Now in the book, previously online with the Marketing Plan Coach • Updated for currency – more emphasis on owned media and social media.
Video Cases	• No major changes.
Cases	• Most cases updated for currency – names changed on most cases • Four new cases

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SMARTBOOK WITH LEARNSMART

For the last few editions of our book, we have made increasing investments in SmartBook and LearnSmart. We are convinced these are the future of learning. Instructors from all disciplines are praising the benefits of adaptive learning technology.

LearnSmart is the adaptive engine that powers the adaptive reading experience we call SmartBook. You, the instructor, will choose which learning objectives to assign in LearnSmart to prioritize the student workflow in SmartBook to best map to your course objectives.

INSTRUCTOR'S MANUAL & DIGITAL IMPLEMENTATION GUIDE FOR *ESSENTIALS OF MARKETING, 15e*

This manual includes:

- extensive suggestions on teaching the first marketing course and on using P.L.U.S.
- descriptions and overviews of all of the different teaching/learning materials that accompany *Essentials of Marketing* and make up P.L.U.S.
- answers for all end-of-chapter Questions and Problems.
- answers for all questions in Marketing Analytics: Data to Knowledge.
- answers for all Suggested Cases.
- answers for all Ethical Dilemmas.
- answers for all Marketing Analytics: Data to Knowledge questions.
- suggestions for using the Connect Homework Exercises.

This Instructor's Manual is available for download in digital form from the Instructor's Resource CD and at the Instructor's Online Learning Center (www.mhhe.com/fourps). We have also prepared the entire manual as a single PDF file for easy printing.

INTERACTIVE POWERPOINT LECTURE SLIDES AND SCRIPTS

The Interactive PowerPoint lecture slides that come with *Essentials of Marketing* all come with extensive "Notes". The Notes view in PowerPoint provides a "script" that can actually be read to your students or simply used as an idea about how to discuss each slide. Our "High Media" content slides are large files (and take longer to download) but include videos and online activities. We have also created YouTube PowerPoints that have embedded YouTube videos in the slides (note that at this time PowerPoint for Mac does not allow for embedding online video content – so we have links in that set).

BANK OF OBJECTIVE TEST QUESTIONS

The authors of the textbook have written, edited, or reviewed EVERY question in the *Essentials of Marketing 15e* test bank. We take full responsibility for the quality of the test bank and we are quite proud of this effort. We know how important the test bank is for many instructors. If you ever find any questions confusing, misleading, or flat our wrong – please send an e-mail to Joe.Cannon@ColoState.edu.

Tests can be created with McGraw-Hill's EZ Test software. At the time of this writing there is talk of a new test creation software – ask your McGraw-Hill sales rep for more information.

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VIDEO PACKAGE FOR *ESSENTIALS OF MARKETING 15E*: TEACHING VIDEOS, VIDEO CASES, AND NEW iSEEIT! VIDEOS

Essentials of Marketing has always been proud to offer you the best video package in the business. Our package includes 27 teaching videos (generally 8-15 minutes in length) that explore key concepts from each chapter with real-life examples, 8 video cases that complement the cases in your textbook, and *NEW* iSeeIt! videos – a series of 17 videos that can be shown in class or assigned to students (with auto-graded questions). You can assign your students any of these videos through Connect or bring them into your class by presenting them.

CONNECT FOR *ESSENTIALS OF MARKETING 15E*

Connect is now the central element to *Essentials of Marketing* where you can find both SmartBook and most of our *P.L.U.S.* supplements. *Connect* comes with *LearnSmart*, the adaptive learning system designed to help students learn faster, study more efficiently, and retain more knowledge for greater success.

Connect for Essentials of Marketing includes a web-based assignment and assessment platform that enriches the learning experience for your students. We have created about 80 interactive exercises. These exercises go beyond basic recall and create highly engaging interactive content that assesses student performance on key course objectives.

Connect works for students. It helps students connect the marketing dots – in a fun and interactive way. The exercises are not busy work; they are designed to stimulate critical thinking and reinforce key concepts from each chapter. All assignments can be instantly graded (you decide when students get feedback) – so students know right away what they understand and what they don't.

Connect Marketing works for instructors. It fits right in with the teaching and learning package you have become accustomed to with this text by giving you even more options for teaching your students your way. While many instructors want to give application and understanding-oriented homework assignments to their students, giving timely student feedback is time-consuming and often impractical. With *Connect Marketing*, assignments are automatically graded – with grades dropped right into your *Connect* grade book. Plus, with dozens of exercises to choose from, the instructor has options and control. All assignments are tied to AACSB Assurance of Learning knowledge standards and Bloom's Taxonomy guidelines.

Connect Interactive Exercises

McGraw-Hill's Connect provides many opportunities for instructors. *Essentials of Marketing* includes 4-6 interactive exercises in each chapter. These activities come in many forms – videos, drag-and-drop, case analysis, and our *NEW* marketing analytics. All of these activities are assignable (you decide which exercises to use) and auto-grading. They are the perfect homework assignments for your students – giving them an active learning approach that supplements and extends what they learn from reading the book.

NEW – Now in Connect a New Interactive- *Marketing Analytics: Data to Knowledge*

Previously part of our Computer-Aided Problems , we have converted those exercises to auto-grading Connect format. Using Connect spreadsheet software our *Marketing Analytics: Data to Knowledge* offer your students the opportunity to use spreadsheet analysis on real marketing problems. 18 problems are featured in end-of-chapter material. The exercises were developed by the authors to deepen student

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understanding of important topics and concepts covered in *Essentials of Marketing*. The assignments simplify the "spreadsheet" details and make it easy for students to prepare assignments in *Marketing Analytics: Data to Knowledge.* Each exercise requires students to conduct "what if?" analysis in the spreadsheet and answer from 4-6 questions. A discussion question can be assigned or used in class to help students better understand how to apply the analysis.

There is a separate suggested problem (a short caselet) at the end of each of the first 18 chapters in the text. Each problem description concludes with questions for the student to answer – using the spreadsheet software.

Answers to all of the questions – along with discussion suggestions and copies of all of the relevant spreadsheets – are provided in Part IV of this manual (along with answers to all the other chapter-by-chapter assignment materials).

The software has been designed – and extensively tested and refined – so it will be easy for students to use. It provides clear online directions. While students usually don't need them, the text also provides a complete set of printed instructions on using the software.

Connect Questions

You can create your own Connect assignments with your own questions – or use questions from pre-populated quizzes (up to 20 questions per chapter) or choose questions from the *Essentials of Marketing* test bank.

LearnSmart Questions

Within SmartBook, you can assign adaptive learning questions for your students. A slide bar lets you determine how much time students spend answering questions – I suggest you start with about 60 questions per chapter.

LearnSmart follows from McGraw-Hill Higher Education's leadership in developing adaptive learning technology. *LearnSmart* provides students with a personalized learning path based on how each responds to questions (right or wrong), as well as how confident they feel about the answers they provide. Questions come in a variety of formats (matching, multiple choice (some with multiple answers), fill-in-the blank, and more). The program also encourages retention of the material by identifying concepts that students are likely to forget, and directing them back to portions of the e-book to help them solidify concepts. If your students are up for some friendly competition, the instructor can allow their scores to be compared with others in the class or the country at large. This approach often helps motivate students and gives them feedback to see where they stand.

Instructors can see how their students are performing. Wouldn't it be great to go into class knowing which part of the chapter appears to be causing students the most trouble? If your students complete *LearnSmart* before class, you can gather this information. The "back-end" also provides instructors with information about how much time each student spends with *LearnSmart* and their performance level. This can be helpful in providing diagnostic feedback to students looking to perform better on exams.

***Practice Marketing* simulation**

We are excited to offer a brand new computer simulation—*Practice Marketing*. The simulation allows students to assume the role of a marketing manager in a simulated market. Students utilize the entire marketing strategy planning process to sell backpacks. The simulation can be used by students individually or in teams. For more information, see http://mhpractice.com. NOTE: *Practice Marketing* can be purchased separately, and is also available for a special package price with your textbook. Check with your McGraw-Hill sales rep for more details.

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FIND INSTRUCTOR RESOURCES ON CONNECT (LIBRARY→INSTRUCTOR RESOURCES) at the ONLINE LEARNING CENTER FOR *ESSENTIALS OF MARKETING, 15e*

The heart and soul of the supplements is *Online Learning Center for Essentials of Marketing 15e (OLC)* (accessed through Connect for *Essentials of* Marketing → Instructor resources) at the OLC find:

- **Course Planning Checklist**
  - This checklist provides an overview of the various elements of the Professional Learning Units System (P.L.U.S.) that makes it easy to select just the right elements for your course.
- **Instructor's Manual and Digital Implementation Guide**
  - Downloadable version of the document you are now reading – available as a single document or broken into parts and individual chapters.
- **Flip My Marketing Class – Active Learning with *Essentials of Marketing, 15e***
  - This e-book (being prepared as we write this manual) includes a description of how an instructor can use the flipped classroom model – or simply add more active learning elements – to their principles of marketing class.
- **PowerPoint Presentations**
  - About 30-35 slides per chapter.
  - All PowerPoints with notes pages that can be used as a script or guide for your lectures.
  - Slides with "Checking Your Knowledge" questions that can be used in class to keep students engaged and thinking. These can also be used with any of the popular class clicker systems and related software to get feedback on how students are doing with the material;
  - A special design that both looks great and makes it easy to integrate other PowerPoint materials (like those detailed below) without worrying about shifts in format.
  - Two versions of the slides:
    - Basic version – each chapter with no multimedia elements (and smaller file sizes)
    - High Media version – each chapter with embedded or available video files (and much larger file sizes) and interactive exercises.
  - YouTube PowerPoints – YouTube videos embedded in individual PowerPoints (or linked in the case of Apple versions of PowerPoint where embedding is not possible).
  - Color Ads – provide about 75 print advertisements that you can add to your lectures as you see fit.
- **Author Blog**
  - Link to our *Teach the 4 Ps* (http://teachthe4ps.com/) blog for suggestions about adding current content to your teaching.
- **Videos**
  - Video Instructor's Manual that offers suggestions about how to use the various videos in your teaching.
  - The video package for *Essentials of Marketing 15e* includes:
    - 17 iSeeIt! videos
    - 27 teaching videos
    - 8 video cases
- **Test Bank**
  - More than 6000 objective test questions (true/false and multiple choice). Ranging from 180-350 questions per chapter.
  - Access to the Manual of Tests document – which allows access to Word files for all questions.
  - Find link and information to McGraw-Hill's test creation software
- ***What's Now?* links**
  - NEW THIS EDITION – end-of-chapter links to current online content (videos, articles, websites) – updated each semester

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- **Digital Image Library**
    - Chapter-by-chapter files with all of the images from each textbook chapter.
    - Image files may be used to integrated into print assignments or on PowerPoint slides.

NOTE: While the fastest way to access the above content is through the "Instructor Resources" link in the Connect for *Essentials of Marketing 15e*, website, a CD containing these resources may be obtained from your McGraw-Hill sales rep.

AUTHOR BLOG FOR INSTRUCTORS - *TEACH THE 4 Ps*

We have developed the *Teach the 4 Ps* blog (www.teachthe4ps.com) to help instructors of the introductory marketing course with up-to-date examples, teaching tips, and ideas for student assignments. We make several blog posts a month year-round – with links to recent articles, videos, podcasts, teaching tips, and more. The handy lists of "Categories," "Tags," and "Search" allow you to find the most recent posts on the topic you are teaching tomorrow (or today!). At the blog you can link to an RSS feed – or sign up to follow us on Twitter.

ESSENTIALS OF MARKETING "CARTRIDGES" FOR YOUR LEARNING MANAGEMENT SYSTEM

Essentials of Marketing is highly integrated with most of the major learning management systems (Blackboard, Canvas, Moodle, and others). There is a "cartridge" that can easily drop *Essentials of Marketing* supplements into your own Blackboard course. There is also integration between *Connect Marketing* for *Essentials of Marketing* (described below) and most LMS gradebooks. For more information, talk to your McGraw-Hill sales rep.

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