TT TEXTBOOK TESTBANKS

# Solutions Manual for Marketing 3rd Hunt

SOLUTIONS MANUAL SAMPLE PREVIEW

PUBLISHER
McGraw-Hill

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2021

RESOURCE TYPE
Solutions Manual

ISBN
9781260088878

Source: Michael Quinn, NPS

# Chapter 1: Why Marketing Matters to You

Students should use this Learning Worksheet to prepare for class discussion and take notes.

## CHAPTER FORECAST

This chapter explores the importance of marketing to businesses of all sizes, nonprofit organizations, and individuals. It examines what marketing is, how it is affected by global forces, and the importance of corporate social responsibility and ethics in this dynamic field. You will see that marketing matters to each of us, regardless of background, college major, or future plans.

## LEARNING OBJECTIVES

**LO 1-1** Describe a marketer's role in creating, communicating, and delivering value.
**LO 1-2** Differentiate among the various eras in the history of marketing.
**LO 1-3** Distinguish between consumer needs and consumer wants.
**LO 1-4** Explain the four elements in the marketing mix.
**LO 1-5** Discuss the importance of globalization in the field of marketing.
**LO 1-6** Explain the role of analytics in marketing.
**LO 1-7** Demonstrate the relationship between ethical business practices and marketplace success.
**LO 1-8** Analyze the functions of marketing beyond the for-profit firm.

## KEY TERMS

brand
customer value
ethics
exchange
global marketing
logistics
marketing
marketing analytics
marketing concept
marketing mix
needs
place (distribution)
price
product
production orientation
promotion

## THOUGHT-PROVOKING ACTIVITY

| |
|---|
| Set 1: What are the three marketing philosophies/orientations? Provide one example of a product or service in each. |
| |
| Set 2: What are the 4 Ps? Provide an example for each. |
| |

## CONTENT OUTLINE

The following section provides the flow of information using the LEARNING OBJECTIVES as a guide, FIGURES as a visual to elaborate on key areas, KEY TERMS learners will need to take away from the course and a creates an opportunity for you to take LECTURE NOTES.

| **EXECUTIVE PERSPECTIVE NOTES**<br>April Slayton, *Communications Director,* National Park Service |
|---|
| How is marketing relevant in her role?<br><br>How does she use her personal brand to communicate value? |

| **THINK LIKE A MARKETER**<br>How do organizations create value for their customers? |
|---|
| |
| **THINK LIKE A MARKETER**<br>Once value is created, how do you communicate it? |
| |
| **THINK LIKE A MARKETER**<br>Why is it important to communicate value? |
| |

**LO-1 Describe a marketer's role in creating, communicating, and delivering value.**

- Organizations are constantly looking for new ways to create value for the customer
- If the benefit of the product or service equals or exceeds its cost, the organization has *created value*
- The key ingredient for creating value is providing consumers with benefits that meet their needs and wants
- Over 80 percent of all new products fail, a percentage that remains consistent in good and bad economic conditions
- A firm must communicate not only what its product is but what value that product brings to potential customers
- The supply chain encompasses multiple companies that are directly linked by one or more of the upstream and downstream flows of products, services, finances, and information from a source to a customer
- That part of supply chain management that plans, implements, and controls the flow of goods, services, and information between the point of origin and the final customer is called logistics
- Apple can charge higher prices than its competitors without fear of losing sales because of the value customers place on Apple products

- Many of the most successful firms in the world, including Coca-Cola, Walmart, and UPS, excel at managing their supply chains efficiently and have made delivering value a competitive advantage in their industries
- Members of the supply chain can include manufacturers, wholesalers, retailers, transportation companies, and other groups, depending on the specific industry

**LO-2 Differentiate among the various eras in the history of marketing.**

- Prior to the 1920s, most firms throughout the United States and the rest of the developed world focused on production
- Firms had a production orientation in which they focused on efficient processes and production to create quality products and reduce unit costs
- As the size and impact of sales forces grew, many firms shifted to a sales orientation, in which personal selling and advertising were used to persuade consumers to buy new products and more of existing products
- Henry Ford's production line innovation and success manufacturing the Model A automobile represents the production-orientation era, during which firms believed that quality products would sell themselves
- After two decades of economic depression and world war, the U.S. entered an era of expansion beginning in the early 1950s
- Demand for goods and services increased significantly
- Products that had been in limited supply during the war flooded the market, forcing firms to develop new strategies to compete
- As a result, a strategy focused on the consumer, called the *marketing concept*, began to emerge
- The marketing concept reflects the idea that a firm's long-term success must include a company-wide effort to satisfy customer needs
- The marketing concept is characterized by a *customer orientation*, which stresses the idea that everyone in a firm, from salespeople to accountants to human resource managers to administrative assistants, should assess, then satisfy, a consumer's needs
- As technology and other changes impact the business world, firms will need to explore new models that address what customers want and how they prefer to receive information
- The e-retailer Amazon is an excellent example of a company that uses relationship marketing to provide personalized product recommendations and delivery options to meet individual needs

| **Figure 1.1** ***Social Media as a Pathway to News: Facebook Leads the Way*** **INSIGHT QUESTIONS** |
|---|
| Why do you think Facebook is the top ranking social networking site for receiving news? |
| (Answer: open ended; it appeals to multiple demographics and has been around the longest of the most used social platforms) |
| Do you think these percentages will change in the next three years?  How so? |
| (Answer: open ended; social media is constantly evolving so as long as the platform also evolves and consumers use it a go-to source, an increase is possible) |
| How do these figures compare to how and where you receive news? |
| (Answer: open ended; simply liking a local, national or global new page can add it in the social feed which makes information more easily available) |

**LO-3 Distinguish between consumer needs and consumer wants.**

- Marketers create value for customers when they develop products that allow consumers to satisfy their needs and wants through exchange relationships
- Exchange happens when a buyer and seller trade things of value so that each is better off as a result
- The difference between needs and wants impacts the way companies market their product to customers
- Needs are states of felt deprivation. Consumers feel deprived when they lack something useful or desirable like food, clothing, shelter, transportation, and safety
- Marketers do not create needs; they are a basic part of our human makeup
- Wants are the form that human needs take as they are shaped by personality, culture, and buying situation
- Wants are influenced by numerous things, including a consumer's family, job, and background

| **THINK LIKE A MARKETER**<br>What do marketers do with value? |
| --- |
| |

- The distinction between needs and wants is important and not always black and white
- Marketers focus on providing products that fulfill customers' wants, which in turn satisfy their underlying needs
- The better a firm understands the difference between customers' needs and wants, the more effectively it can target its message and convince customers to buy its good or service, for the simple reason that the firm's offering will meet its customers' needs and wants better than any competing good or service
- Evaluating customer needs and wants must be done through an ethical framework to avoid potential problems for the firm and society as a whole
- Most people need transportation of one kind or another; it's marketing's job to satisfy that need in a way that also meets the customer's wants, perhaps for a luxury car

**LO-4 Explain the four elements in the marketing mix.**

- The marketing mix (product, price, place, promotion) represents everything that a firm can do to influence demand for its good, service, or idea
- The four Ps of the marketing mix provide marketers with the tools to increase customer awareness, sales, and profitability
- The marketing mix typically begins with the product because, without it, a firm has few, if any, decisions to make when it comes to price, place, or promotion
- *Product* is a specific combination of goods, services, or ideas that a firm offers to consumers
- Products can also take the form of services, such as those provided by an attorney or electrician, or ideas, like those offered by a consultant
- *Price* is the amount of something—money, time, or effort—that a buyer exchanges with a seller to obtain a product

- Setting a price is one of the most important strategic decisions a firm faces because it relates to the value consumers place on the product
- Pricing is typically the easiest marketing mix element to change, making it a powerful tool for firms looking to quickly adjust their market share or revenue
- Revenue is a function of the price of a product multiplied by the number of units sold
- If the firm sets the price too high, it will sell fewer units, thus reducing revenue. If the firm sets the price too low, it may sell more units, but could still see a reduction in overall revenue if the money earned from the additional units sold isn't enough to offset the lower price
- Technology like smartphone barcode scanners makes pricing a more complicated and influential component of the marketing mix because consumers can quickly compare prices from firm to firm and from store to store
- *Place* includes the activities a firm undertakes to make its product available to potential consumers
- Companies must be able to distribute products to customers where they can buy and consume them without difficulty
- Even if you have the right product at the right price, if customers cannot easily purchase the product, they will likely find a substitute
- *Promotion* is all the activities that communicate the value of a product and persuade customers to buy it
- Promotion includes advertising, public relations, personal selling, and sales promotion
- A successful firm's whole promotional strategy is better than the sum of its parts. It effectively integrates advertising, public relations, personal selling, and sales promotion to communicate a product's value to potential customers
- An integrated approach will always be important to the success of a promotional strategy, but in recent years, the way a firm executes its promotional activities has evolved
- The term social media refers to a group of Internet-based applications that allow the creation and exchange of user-generated content. Firms that use social media for promotion try to create content that attracts attention and encourages readers to share the content with their social networks
- Social media communication is driven by word of mouth, meaning it results in free media rather than paid media. It's also become easily accessible to anyone with Internet access

| **Figure 1.2 *The Marketing Mix and Decisions That Affect It* INSIGHT QUESTIONS** |
|---|
| Why must the marketing mix begin with decisions made relating to the product? |
| (Answer: All other components of the marketing mix cannot be determined until the product is determined.) |
| What are the key areas of consideration for determining the product? |
| (Answer: what the product is, its features, how it fits the needs and wants of the market, and whether or not it is new or revamped) |
| What are the key areas of consideration for determining the price? |
| (Answer: what price should be charged domestically and internationally, potential discounts, and how quickly a consumer needs it) |
| What are the key areas of consideration for determining the place? |
| (Answer: suppliers, delivery, inventory, and distribution to where a consumer is willing to purchase it) |

| |
|---|
| What are the key areas of consideration for determining the promotion? |
| (Answer: where/when to advertise, use of sales promotion, hiring salespeople, and how the public perceives the product) |

| **CONNECT BACK: Reference Connect Assignment 1-1** |
|---|
| How did Domino's Pizza use social media to better reach its customer? |
| (Answer: The company became the first major restaurant chain to use Twitter as an ongoing way for customers to place and complete an order. Domino's customers were able to order a pizza by simply tweeting the pizza emoji to @Dominos.) |
| Did this give them competitive advantage? |
| (Answer: open ended; innovation is always an opportunity for competitive advantage) |

**LO-5 Discuss the importance of globalization in the field of marketing.**

- Global forces impact everything thing we do in marketing, from pricing to product development to supply chain management
- Much of the growth in U.S. firms ranging from Walmart to General Motors comes from their expansion into international markets
- 10.7 million jobs in the United States are directly supported by exports
- In 2017, total U.S. exports were worth more than $2.32 trillion
- The United States is the world's leading exporter products ranging from medical instruments to refined petroleum and the leading importer of cars, computers, and smartphones
- Exports account for over 12 percent of the total U.S. economy
- The idea of *globalization*, the increasingly interconnected nature of the world economy, evokes different reactions from different people
- International trade agreements, such as the North American Free Trade Agreement (NAFTA) that relaxed trade restrictions between the U.S., Canada, and Mexico, can be viewed both positively and negatively depending on an individual's circumstances
- Less than 5 percent of the world's population lives in the United States, which leads marketers to seek ways to promote and sell their products to the billions of potential consumers living outside the U.S.
- Global marketing is a marketing strategy that consciously addresses customers, markets, and competition throughout the world
- Brand refers to the name, term, symbol, design, or any combination of these that identifies and differentiates a firm's products
- Coca-Cola has demonstrated a commitment to using each of the four Ps—product, price, place, and promotion—to drive global success
- Coca-Cola is one of the most globally active companies. Coca-Cola's marketers have developed products to meet the unique tastes of international customers. Coca-Cola is at the cutting edge of delivering its products to places where global customers can buy them, whether that means moving bottling operations to Turkey or coordinating deliveries to remote places in Africa

**LO-6 Explain the role of analytics in marketing.**

| **Marketing Analytics INSIGHT QUESTIONS** |
|---|
| Firms that want to market on a global scale must pay close attention to whether the benefits exceed the costs. How can marketers use analytics do this? |
| (Answer: open-ended; marketers can use analytics to quantify and measure whether or not the benefits can generate a consumer following, create interest, generate revenue, etc.) |
| What kinds of things should a firm look at in analytical data? |
| (Answer: open-ended; sales over time periods, marketing return on investment, spikes in unusual areas, correlating factors, anomalies, etc.) |

- Marketing analytics can be used for issues ranging from justifying how advertising dollars get spent to what to do with large amounts of consumer data that are now available
- During 2016 presidential campaign, candidates sought a marketing advantage using analytics
- It is anticipated that marketing budgets will almost double in the next three years for marketing analytics

**LO-7 Demonstrate the relationship between ethical business practices and marketplace success.**

- Ethical decision making should be a key component of a successful marketing approach
- Marketers should clearly understand the norms and values expected of them and act in a way that reflects their company, their profession, and themselves in a positive, ethical light
- The American Marketing Association has published a thorough Code of Ethics, which marketers should read and adhere to
- The consequences of not adhering to an ethical code can be serious. Ignoring ethical considerations has destroyed some of the largest companies in the world over the past 15 years, including Enron, telecommunications giant WorldCom, Arthur Andersen, and AIG
- Making ethical decisions not only makes good business sense, it can also generate profits, even during a recession

| **Figure 1.3 *American Marketing Association Code of Ethics* INSIGHT QUESTIONS** |
|---|
| Justly balancing the needs of the buyer with the interests of the seller relates to which ethical value? |
| (Answer: fairness) |
| What does it mean to be transparent? |
| (Answer: to create a spirit of openness in marketing operations) |
| Contributing to the overall betterment of marketing and its reputation is part of which ethical value? |
| (Answer: citizenship) |

| **Figure 1.4 *Performance Comparison of the World's Most Ethical Companies and the MSCI All Country World Index* INSIGHT QUESTIONS** |
|---|
| Were the world's most ethical firms still profitable with positive and negative economic circumstances? |
| (Answer: yes) |

| What, specifically, do think are the contributing factors to the most ethical firms making positive returns even in times of a recession? |
|---|
| (Answer: open ended; being an organization that consumers can depend on creates value and practices good judgement in their mindset) |

**Ethical Decision Making Framework**

- Despite the positive impact ethical decision making can have on a firm, the ethical choice is not always clear
- You can apply this systematic, decision-making framework to ethical problems
- Some common ethical questions that marketers may face with each element of the marketing mix in a career include:
    - Product:
        - What default privacy settings should be built into a website?
        - What safety risks, especially for children and the elderly, might a product pose?
        - Should environmentally friendly packaging be used even if it costs more?
    - Place:
        - Should jobs be outsourced to other members of the supply chain?
        - Are the relationships between wholesalers and retailers inappropriate?
        - What opportunities for personal gain might tempt a firm's suppliers?
    - Price:
        - Should the firm charge customers different prices based on their ability to pay?
        - Should the firm increase prices due to a lack of local competition?
        - Should the firm lower prices on soft drinks and fast food to attract a greater customer following, even if those products present potential health risks?
    - Promotion:
        - Does the advertising message represent the product's benefits honestly?
        - Does the promotion strategy incorporate violence, sex, or profanity that may be inappropriate for some members of society?
        - Does the advertising message attack competing products rather than highlight the benefits of the firm's product?

| **THINK LIKE A MARKETER**<br>Think of the ethical questions you will encounter in your job. What are they? |
|---|
| |

| **Figure 1.5** *Ethical Decision-Making Framework* **INSIGHT QUESTIONS** |
|---|
| Despite the positive impact ethical decision making can have on a firm, is the ethical choice always clear? |
| (Answer: no, and there may be many personal and professional factors to consider) |
| Which step do you think is most important? |
| (Answer: open-ended) |

| **CONNECT BACK: Reference Connect Assignment 1-2** |
|---|
| Which area did you have the hardest time relating to an actual scenario? |
| (Answer: open-ended) |
| What are the potential risks of not selecting an ethical approach to business and marketing decisions? |
| (Answer: open ended; consumer buy-in and support can be negatively affected and, in return, sales and profits are affected) |

| **Marketing Insights Podcast INSUGHT QUESTIONS** |
|---|
| Do you believe you are a marketer (of your personal brand)? |
| (Answer: open-ended; everyone's a marketer!) |
| What kinds of things are doing right now to market yourself and compete in this job market? |
| (Answer: open-ended) |

**LO-8 Analyze the functions of marketing beyond the for-profit firm.**

- Nonprofit organizations are a growing part of the U.S. economy
- Nonprofit organizations employ about nearly 11 million American workers and they continued to employ and even hire workers during the recession that began in late 2007
- As with for-profit firms, marketing efforts are an essential part of the success of nonprofit organizations
- Successful marketing helps nonprofit organizations, including hospitals, charities, universities, zoos, and churches, attract membership and much-needed funds
- The marketing principles that apply to for-profit firms also impact nonprofit firms
- Pictured is the St. Jude Children's Research Hospital®; cafeteria, named "Kay Kafe" in honor of Kay® Jewelers' support of the hospital. By participating in St. Jude Children's Research Hospital® *Thanks and Giving*® campaign, Kay® Jewelers has raised over $70 million in donations from employees and customers since 1999

| **TODAY'S PROFESSIONAL NOTES**<br>Murray Watts, *Territory Manager*, Nobel Biocare, Salt Lake City, UT |
|---|
| What will make you stand out to a recruiter?<br><br>What makes Murray a "thought leader"? |

**Marketing Yourself**

- Your ability to market yourself will be critical to your success after you leave college
- Don't look at the information this book provides as a collection of random concepts that you can forget about once your final exam is taken

- Instead, think about how it will help you position yourself relative to others competing for the same job

## MARKETING PLAN EXERCISE

As a professional in any field, it is important to have a comprehensive understanding of what a marketing plan is and why it is there. A marketing plan is an action-oriented document or playbook that guides the analysis, implementation, and control of all marketing activities. Throughout this book, you will develop a professional marketing plan. The twist is that your marketing plan will focus on how to *market yourself* to achieve your career goals.

Many businesses fail to execute on their marketing plans because they did not spend adequate time clearly identifying what they wanted or expected to do. As a first step in developing your personal marketing plan, you will need to identify the specific objectives that you want to achieve. In developing these objectives, you should ask yourself several questions, such as:

- Do I want to attend graduate school? If so, where and what program?
- Where do I want to work?
- Where do I want to live?
- What kind of life do I want to have?
- How much will I need to earn to have that life?

Such questions will help you focus on what specific things you need to do to achieve your goals. The more clearly you define your objectives, the more likely you are to realize them.

**Student Task:** Clearly state three to five specific objectives for your future, and include a brief one- to two-sentence description of each objective.

**Insert your responses to the above in Chapter 1's section of the Personal Marketing Plan.**

| | |
|---|---|
| **Respond to the question:** ***Tell me about yourself.*** | |
| **Chapter 1** | **MARKETING STRATEGY**<br>Future Objectives<br>1.<br>2.<br>3.<br>4.<br>5. |

*Source: Michael Quinn, NPS*

# Chapter 1: Why Marketing Matters to You

Use this Instructor's Manual to facilitate class discussion and incorporate the unique features of the text. Encourage students to follow along using their LEARNING WORKSHEET, which is located in the Instructor's online resources. Students should attempt to complete the Learning Worksheet before class begins, allowing class lecture and discussion to be a review of the material. Students should be able to access these Learning Worksheets via their learning platform (Moodle, Blackboard, etc.). The worksheet key for Chapter 1 is provided in the Instructor's online resources.

## CHAPTER FORECAST

This chapter explores the importance of marketing to businesses of all sizes, nonprofit organizations, and individuals. It examines what marketing is, how it is affected by global forces, and the importance of corporate social responsibility and ethics in this dynamic field. You will see that marketing matters to each of us, regardless of background, college major, or future plans.

## LEARNING OBJECTIVES

**LO 1-1** Describe a marketer's role in creating, communicating, and delivering value.
**LO 1-2** Differentiate among the various eras in the history of marketing.
**LO 1-3** Distinguish between consumer needs and consumer wants.
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## KEY TERMS

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needs
place (distribution)
price
product
production orientation
promotion
relationship marketing
sales orientation
social media
supply chain
wants

## THOUGHT-PROVOKING ACTIVITY

(This activity is included in the PowerPoint for this chapter.) With each chapter, begin class with a thought-provoking activity (TPA) for 10 minutes. TPAs allow students to pull in real-world, current findings into class, and better enable students to partake in class discussion with relation to the chapter's material in an icebreaker format.

**How it Works:** When class begins, two to three students are called on via random assignment to provide their responses a minimum of one time in the semester. Two sets of activities are provided for either (1) teaching one chapter over two class sessions or (2) allowing more students to partake in the activity. Instructors can either collect the worksheets for a grade or asses a point value when students respond aloud.

**Supporting Materials**: A sample grading rubric is provided in the Instructor's online resources. The Learning Worksheet also references the TPA.

| |
|---|
| Set 1: What are the three marketing philosophies/orientations? Provide one example of a product or service in each. |
| Set 2: What are the 4 Ps? Provide an example for each. |

## CONTENT OUTLINE

The following section provides the flow of information using the LEARNING OBJECTIVES as a guide, FIGURES and TABLES as a visual to elaborate on key areas, KEY TERMS learners will need to take away from the course and a notation of when to use POWERPOINT SLIDES with LECTURE NOTES to drive home teaching points. There is also a reminder on when CONNECT activities can be used, as well as tying in SOCIAL MEDIA IN ACTION to real-world applications of marketing products. This is created so that you can facilitate in-class or online discussion effectively.

<table>
<tr><td colspan="2">Executive Perspective<br><br>Photo provided by April Slayton</td><td>April Slayton<br>Communications Director, National Park Service<br><br>Learning about identifying and speaking to different audiences provided April Slayton with an opportunity to work in government and make it a positive part of people's lives. She uses her passion to provide insight in answering the following questions:<br><br>1. What has been the most important thing in making you successful at your job?<br>2. What advice would you give soon-to-be graduates?<br>3. How is marketing relevant to your role at the National Park Service?<br>4. What do you consider your personal brand to be?<br><br>Woven in the chapter, you see how April later elaborates on:<br>• One of the most important marketing efforts at the National Park Service.<br><br>Review with students:<br>• How is marketing relevant in her role?<br>• How she uses her personal brand to communicate value.</td></tr>
<tr><td>LO 1-1</td><td>Describe a marketer's role in creating, communicating, and delivering value.<br>• The Value of Marketing<br>    ○ Creating Value</td><td>Key Terms:<br>• Marketing<br>• Customer value<br>• Supply chain<br>• Logistics</td></tr>
</table>

<table>
<tr><td></td><td><ul><li>○ Communicating Value</li><li>○ Delivering Value</li></ul></td><td colspan="2"></td></tr>
<tr><td colspan="2">PowerPoint Slides</td><td colspan="2">Lecture Notes:<br>THINK LIKE A MARKETER<br>How do organizations create value for their customers?<br><br>THINK LIKE A MARKETER<br>Once value is created, how do you communicate it?<br><br>THINK LIKE A MARKETER<br>Why is it important to communicate value?<ul><li>Organizations are constantly looking for new ways to create value for the customer</li><li>If the benefit of the product or service equals or exceeds its cost, the organization has created value</li><li>The key ingredient for creating value is providing consumers with benefits that meet their needs and wants</li><li>Over 80 percent of all new products fail, a percentage that remains consistent in good and bad economic conditions</li><li>A firm must communicate not only what its product is but what value that product brings to potential customers</li><li>The supply chain encompasses multiple companies that are directly linked by one or more of the upstream and downstream flows of products, services, finances, and information from a source to a customer</li><li>That part of supply chain management that plans, implements, and controls the flow of goods, services, and information between the point of origin and the final customer is called logistics</li><li>Apple can charge higher prices than its competitors without fear of losing sales because of the value customers place on Apple products</li><li>Many of the most successful firms in the world, including Coca-Cola, Walmart, and UPS, excel at managing their supply chains efficiently and have made delivering value a competitive advantage in their industries</li><li>Members of the supply chain can include manufacturers, wholesalers, retailers, transportation companies, and other groups, depending on the specific industry</li></ul></td></tr>
<tr><td>LO 1-2</td><td>Differentiate among the various eras in the history of marketing.<ul><li>History of Marketing<ul><li>○ Production Orientation</li><li>○ Sales Orientation</li><li>○ Marketing Concept</li><li>○ The Future of Marketing</li></ul></li></ul></td><td colspan="2">Key Terms:<ul><li>Production orientation</li><li>Sales orientation</li><li>Marketing concept</li><li>Relationship marketing</li></ul></td></tr>
</table>

**PowerPoint Slides**

**Lecture Notes:**

- Prior to the 1920s, most firms throughout the United States and the rest of the developed world focused on production
- Firms had a production orientation in which they focused on efficient processes and production to create quality products and reduce unit costs
- As the size and impact of sales forces grew, many firms shifted to a sales orientation, in which personal selling and advertising were used to persuade consumers to buy new products and more of existing products
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- As a result, a strategy focused on the consumer, called the *marketing concept,* began to emerge
- The marketing concept reflects the idea that a firm's long-term success must include a company-wide effort to satisfy customer needs
- The marketing concept is characterized by a *customer orientation,* which stresses the idea that everyone in a firm, from salespeople to accountants to human resource managers to administrative assistants, should assess, then satisfy, a consumer's needs
- As technology and other changes impact the business world, firms will need to explore new models that address what customers want and how they prefer to receive information
- The e-retailer Amazon is an excellent example of a company that uses relationship marketing to provide personalized product recommendations and delivery options to meet individual needs

**Figure 1.1**

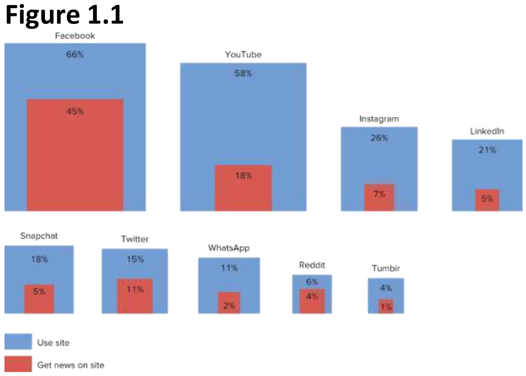


**Figure Information:** *Social Media as a Pathway to News: Facebook Leads the Way*

The percentage of U.S. adults who use each social networking site and percentage of U.S.

**Insight Questions:**

1. Why do you think Facebook is the top ranking social networking site for receiving news? (Answer: open ended; it appeals to multiple demographics and has been around the longest of the most used social platforms)
2. Do you think these percentages will change in the next three years? How so? (Answer: open ended; social media is constantly evolving so as long as the platform also evolves and consumers use it a go-to source, an increase is possible)
3. How do these figures compare to how and where you receive news? (Answer: open ended; simply liking a local, national or global new page can add it in the social feed which makes information more easily available)

| | | |
|---|---|---|
| adults who get news from each social networking site is conveyed. In the coming years, marketers will no longer automatically think of television, newspaper, or magazine advertising as the first choice for reaching customers. | | |
| **LO 1-3** | Distinguish between consumer needs and consumer wants.<br>• Needs Versus Wants<br>○ Distinguishing Needs from Wants<br>○ The Ethical Implications of Needs versus Wants | **Key Terms:**<br>• **Exchange**<br>• **Needs**<br>• **Wants** |

| **PowerPoint Slides** | **Lecture Notes:** |
|---|---|
| | • Marketers create value for customers when they develop products that allow consumers to satisfy their needs and wants through exchange relationships<br>• Exchange happens when a buyer and seller trade things of value so that each is better off as a result<br>• The difference between needs and wants impacts the way companies market their product to customers<br>• Needs are states of felt deprivation. Consumers feel deprived when they lack something useful or desirable like food, clothing, shelter, transportation, and safety<br>• Marketers do not create needs; they are a basic part of our human makeup<br>• Wants are the form that human needs take as they are shaped by personality, culture, and buying situation<br>• Wants are influenced by numerous things, including a consumer's family, job, and background<br><br>THINK LIKE A MARKETER<br>What do marketers do with value?<br><br>• The distinction between needs and wants is important and not always black and white<br>• Marketers focus on providing products that fulfill customers' wants, which in turn satisfy their underlying needs<br>• The better a firm understands the difference between customers' needs and wants, the more effectively it can target its message and convince customers to buy its good or service, for the simple reason that the firm's offering will meet its customers' needs and wants better than any competing good or service<br>• Evaluating customer needs and wants must be done through an ethical framework to avoid potential problems for the firm and society as a whole |

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- Most people need transportation of one kind or another; it's marketing's job to satisfy that need in a way that also meets the customer's wants, perhaps for a luxury car

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<tr><td>LO 1-4</td><td colspan="2">Explain the four elements in the marketing mix.

- The Marketing Mix: The Four Ps
  - Product
  - Price
  - Place
  - Promotion

</td><td>Key Terms:

- **Marketing mix**
- **Product**
- **Price**
- **Place**
- **Promotion**
- **Social media**

</td></tr>
<tr><td colspan="2">PowerPoint Slides</td><td colspan="2">Lecture Notes:

- The marketing mix (product, price, place, promotion) represents everything that a firm can do to influence demand for its good, service, or idea
- The four Ps of the marketing mix provide marketers with the tools to increase customer awareness, sales, and profitability
- The marketing mix typically begins with the product because, without it, a firm has few, if any, decisions to make when it comes to price, place, or promotion
- *Product* is a specific combination of goods, services, or ideas that a firm offers to consumers
- Products can also take the form of services, such as those provided by an attorney or electrician, or ideas, like those offered by a consultant
- *Price* is the amount of something—money, time, or effort—that a buyer exchanges with a seller to obtain a product
- Setting a price is one of the most important strategic decisions a firm faces because it relates to the value consumers place on the product
- Pricing is typically the easiest marketing mix element to change, making it a powerful tool for firms looking to quickly adjust their market share or revenue
- Revenue is a function of the price of a product multiplied by the number of units sold
- If the firm sets the price too high, it will sell fewer units, thus reducing revenue. If the firm sets the price too low, it may sell more units, but could still see a reduction in overall revenue if the money earned from the additional units sold isn't enough to offset the lower price
- Technology like smartphone barcode scanners makes pricing a more complicated and influential component of the marketing mix because consumers can quickly compare prices from firm to firm and from store to store
- *Place* includes the activities a firm undertakes to make its product available to potential consumers
- Companies must be able to distribute products to customers where they can buy and consume them without difficulty
- Even if you have the right product at the right price, if customers cannot easily purchase the product, they will likely find a substitute
- *Promotion* is all the activities that communicate the value of a product and persuade customers to buy it

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- Promotion includes advertising, public relations, personal selling, and sales promotion

- A successful firm's whole promotional strategy is better than the sum of its parts. It effectively integrates advertising, public relations, personal selling, and sales promotion to communicate a product's value to potential customers
- An integrated approach will always be important to the success of a promotional strategy, but in recent years, the way a firm executes its promotional activities has evolved
- The term social media refers to a group of Internet-based applications that allow the creation and exchange of user-generated content. Firms that use social media for promotion try to create content that attracts attention and encourages readers to share the content with their social networks
- Social media communication is driven by word of mouth, meaning it results in free media rather than paid media. It's also become easily accessible to anyone with Internet access

**Figure 1.2**

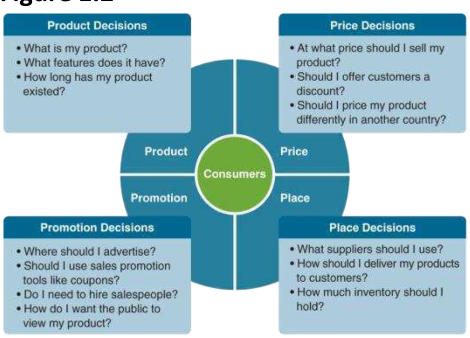


**Figure Information:** *The Marketing Mix and Decisions that Affect It*

The combination of activities that comprise the marketing mix, or four Ps, highlight some of the strategic decisions that can affect each of the marketing mix elements. Beginning with the product, the marketing mix flows clockwise to uncover communication made to consumers.

**Insight Questions:**

1. Why must the marketing mix begin with decisions made relating to the product? (Answer: All other components of the marketing mix cannot be determined until the product is determined.)
2. What are the key areas of consideration for determining the product? (Answer: what the product is, its features, how it fits the needs and wants of the market, and whether or not it is new or revamped)
3. What are the key areas of consideration for determining the price? (Answer: what price should be charged domestically and internationally, potential discounts, and how quickly a consumer needs it)
4. What are the key areas of consideration for determining the place? (Answer: suppliers, delivery, inventory, and distribution to where a consumer is willing to purchase it)
5. What are the key areas of consideration for determining the promotion? (Answer: where/when to advertise, use of sales promotion, hiring salespeople, and how the public perceives the product)

**Connect Assignment 1-1**

connect

**Social Media in Action**

**Topic:** Social Media

The role of social media in marketing entered a new phase in the last decade when Domino's Pizza began allowing customers to order using Twitter. Domino's became the first major restaurant chain to use Twitter as an ongoing way for customers to place an order. The company used social media to allow customers to order a pizza by simply tweeting the pizza emoji to @Dominos.

The move was part of Domino's marketing strategy for attracting young, busy consumers who are active on social media. Domino's marketers received a variety of

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<tr><td colspan="2"></td><td colspan="2">free media following the announcement. As a result, the company developed a unique competitive advantage for its pizza products using social media.<br><br>The Social Media in Action Connect exercise in Chapter 1 asks you to choose how best to use social media to successfully market a fast-food product. By understanding the power of social media marketing, you will be able to apply using social media strategies to create buzz for your organization in the years ahead.<br><br>Source: See Bruce Horovitz, "Domino's to roll out Tweet-a-Pizza," USA Today, May 14, 2015, http://www.usatoday.com/story/money/2015/05/12/dominos-pizza-tweet-a-pizza-twitter-tweet-to-order-fast-food-restaurants/27175005/<br><br>CONNECT BACK Insight Questions:<br>1. How did Domino's Pizza use social media to better reach its customer? (Answer: The company became the first major restaurant chain to use Twitter as an ongoing way for customers to place and complete an order. Domino's customers were able to order a pizza by simply tweeting the pizza emoji to @Dominos.)<br>2. Did this give them competitive advantage? (Answer: open ended; innovation is always an opportunity for competitive advantage)</td></tr>
<tr><td>LO 1-5</td><td colspan="2">Discuss the importance of globalization in the field of marketing.<br>• Trends Affecting Marketing<br>• Global Marketing<br>    ○ The Interconnected World<br>    ○ Marketing on a Global Scale</td><td>Key Terms:<br>• Global marketing<br>• Brand</td></tr>
<tr><td colspan="2">PowerPoint Slides</td><td colspan="2">Lecture Notes:<br>• Global forces impact everything thing we do in marketing, from pricing to product development to supply chain management<br>• Much of the growth in U.S. firms ranging from Walmart to General Motors comes from their expansion into international markets<br>• 10.7 million jobs in the United States are directly supported by exports<br>• In 2017, total U.S. exports were worth more than $2.32 trillion<br>• The United States is the world's leading exporter products ranging from medical instruments to refined petroleum and the leading importer of cars, computers, and smartphones<br>• Exports account for over 12 percent of the total U.S. economy<br>• The idea of globalization, the increasingly interconnected nature of the world economy, evokes different reactions from different people<br>• International trade agreements, such as the North American Free Trade Agreement (NAFTA) that relaxed trade restrictions between the U.S., Canada, and Mexico, can be viewed both positively and negatively depending on an individual's circumstances</td></tr>
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<tr><td colspan="2"></td><td colspan="2">• Less than 5 percent of the world's population lives in the United States, which leads marketers to seek ways to promote and sell their products to the billions of potential consumers living outside the U.S.<br>• Global marketing is a marketing strategy that consciously addresses customers, markets, and competition throughout the world<br>• Brand refers to the name, term, symbol, design, or any combination of these that identifies and differentiates a firm's products<br>• Coca-Cola has demonstrated a commitment to using each of the four Ps—product, price, place, and promotion—to drive global success<br>• Coca-Cola is one of the most globally active companies. Coca-Cola's marketers have developed products to meet the unique tastes of international customers. Coca-Cola is at the cutting edge of delivering its products to places where global customers can buy them, whether that means moving bottling operations to Turkey or coordinating deliveries to remote places in Africa</td></tr>
<tr><td>LO 1-6</td><td colspan="2">Explain the role of analytics in marketing.<br>• Marketing Analytics</td><td>Key Terms:<br>• Marketing analytics</td></tr>
<tr><td colspan="2">Marketing Analytics<br>marketing analytics</td><td colspan="2">Insight Questions:<br>1. Firms that want to market on a global scale must pay close attention to whether the benefits exceed the costs. How can marketers use analytics do this? (Answer: open-ended; marketers can use analytics to quantify and measure whether or not the benefits can generate a consumer following, create interest, generate revenue, etc.)<br>2. What kinds of things should a firm look at in analytical data? (Answer: open-ended; sales over time periods, marketing return on investment, spikes in unusual areas, correlating factors, anomalies, etc.)</td></tr>
<tr><td colspan="2">PowerPoint Slides</td><td colspan="2">Lecture Notes:<br>• Marketing analytics can be used for issues ranging from justifying how advertising dollars get spent to what to do with large amounts of consumer data that are now available<br>• During 2016 presidential campaign, candidates sought a marketing advantage using analytics<br>• It is anticipated that marketing budgets will almost double in the next three years for marketing analytics</td></tr>
<tr><td>LO 1-7</td><td colspan="2">Demonstrate the relationship between ethical business practices and marketplace success.<br>• Ethics in Marketing<br>  ○ The Impact of Ethics on Business<br>    ▪ Ethical Decision-Making Framework</td><td>Key Terms:<br>• Ethics</td></tr>
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<td>PowerPoint Slides</td>
<td>Lecture Notes:
<ul>
<li>Ethical decision making should be a key component of a successful marketing approach</li>
<li>Marketers should clearly understand the norms and values expected of them and act in a way that reflects their company, their profession, and themselves in a positive, ethical light</li>
<li>The American Marketing Association has published a thorough Code of Ethics, which marketers should read and adhere to</li>
<li>The consequences of not adhering to an ethical code can be serious. Ignoring ethical considerations has destroyed some of the largest companies in the world over the past 15 years, including Enron, telecommunications giant WorldCom, Arthur Andersen, and AIG</li>
<li>Making ethical decisions not only makes good business sense, it can also generate profits, even during a recession</li>
</ul></td>
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<td>Figure 1.3<br>


PREAMBLE

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

ETHICAL NORMS

As Marketers, we must:

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

ETHICAL VALUES

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

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

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

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

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

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

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

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

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

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

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

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

IMPLEMENTATION

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

<br>Figure Information: American Marketing Association Code of Ethics<br><br>
The AMA addresses six key areas of ethical values (honesty, responsibility, fairness, respect, transparency and citizenship). Use this information as a guide as you develop your marketing knowledge throughout this text and beyond the course.</td>
<td>Insight Questions:
<ol>
<li>Justly balancing the needs of the buyer with the interests of the seller relates to which ethical value? (Answer: fairness)</li>
<li>What does it mean to be transparent? (Answer: to create a spirit of openness in marketing operations)</li>
<li>Contributing to the overall betterment of marketing and its reputation is part of which ethical value? (Answer: citizenship)</li>
</ol></td>
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<td>Figure 1.4</td>
<td>Insight Questions:
<ol>
<li>Were the world's most ethical firms still profitable with positive and negative economic circumstances? (Answer: yes)</li>
<li>What, specifically, do think are the contributing factors to the most ethical firms making positive returns even in times of a</li>
</ol></td>
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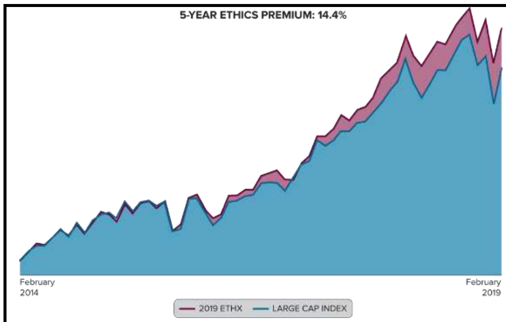


**Figure Information:** *Performance Comparison of the World's Most Ethical Companies and the U.S. Large-Cap Index*<br><br>Ethical decisions can also lead to profits. This graph illustrates the relationship between ethical business practices and marketplace success. The WME Index measures the stock returns of all publicly traded World's Most Ethical Company honorees (portrayed here are years 2014 – 2019). Compare the WME Index to the U.S. Large-Cap Index above, which offers a comprehensive view of equity returns in the United States. As you can see, firms that were identified as ethical outperformed the mix of companies included in the U.S. Large-Cap Index through different political, regulatory, and economic circumstances.
</td>
<td>recession? (Answer: open ended; being an organization that consumers can depend on creates value and practices good judgement in their mindset)</td>
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<td>PowerPoint Slides</td>
<td>Lecture Notes:<br>
• Despite the positive impact ethical decision making can have on a firm, the ethical choice is not always clear<br>
• You can apply this systematic, decision-making framework to ethical problems<br>
• Some common ethical questions that marketers may face with each element of the marketing mix in a career include:<br>
• Product<br>
• What default privacy settings should be built into a website?<br>
• What safety risks, especially for children and the elderly, might a product pose?<br>
• Should environmentally friendly packaging be used even if it costs more?<br>
• Place<br>
• Should jobs be outsourced to other members of the supply chain?</td>
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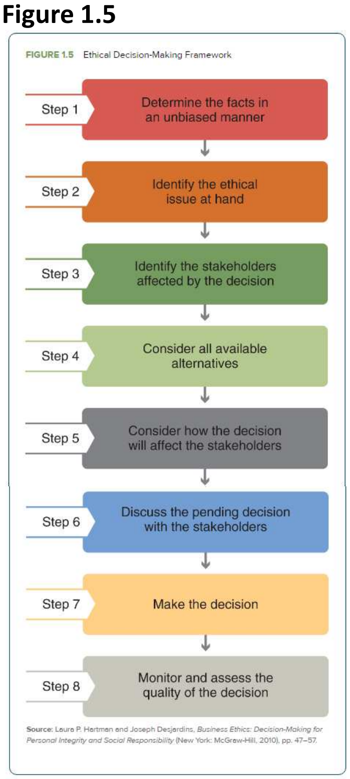
- Are the relationships between wholesalers and retailers inappropriate?
- What opportunities for personal gain might tempt a firm's suppliers?
- Price
- Should the firm charge customers different prices based on their ability to pay?
- Should the firm increase prices due to a lack of local competition?
- Should the firm lower prices on soft drinks and fast food to attract a greater customer following, even if those products present potential health risks?
- Promotion
- Does the advertising message represent the product's benefits honestly?
- Does the promotion strategy incorporate violence, sex, or profanity that may be inappropriate for some members of society?
- Does the advertising message attack competing products rather than highlight the benefits of the firm's product?

THINK LIKE A MARKETER

Think of the ethical questions you will encounter in your job. What are they?

**Figure 1.5**




**Insight Questions:**

1. Despite the positive impact ethical decision making can have on a firm, is the ethical choice always clear? (Answer: no, and there may be many personal and professional factors to consider)
2. Which step do you think is most important? (Answer: open-ended)

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| **Figure Information:** *Ethical Decision-Making Framework*<br><br>Illustrating an ethical decision-making framework that you can use in your future career and in almost any marketing challenge you will encounter, the eight-step process of ethical decision-making is made clear. | |
| **Connect Assignment 1-2**<br><br>connect | **Topic:** Ethics<br><br>Applying the ethical decision-making framework to an actual scenario will provide insight into how to evaluate ethical challenges and the potential risks involved when an ethical approach is not selected.<br><br>**CONNECT BACK Insight Questions:**<br>1. Which area did you have the hardest time relating to an actual scenario? (Answer: open-ended)<br>2. What are the potential risks of not selecting an ethical approach to business and marketing decisions? (Answer: open ended; consumer buy-in and support can be negatively affected and, in return, sales and profits are affected) |

| | | |
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| **LO 1-8** | Analyze the functions of marketing beyond the for-profit firm.<br>• Marketing for Nonprofit Organizations<br>• Marketing Yourself | **Key Terms:**<br>(none) |

| | |
|---|---|
| **Marketing Insights Podcast** | **Insight Questions:**<br>1. Do you believe you are a marketer (of your personal brand)? (Answer: open-ended; everyone's a marketer!)<br>2. What kinds of things are doing right now to market yourself and compete in this job market? (Answer: open-ended) |
| **PowerPoint Slides** | **Lecture Notes:**<br>• Nonprofit organizations are a growing part of the U.S. economy<br>• Nonprofit organizations employ about nearly 11 million American workers and they continued to employ and even hire workers during the recession that began in late 2007<br>• As with for-profit firms, marketing efforts are an essential part of the success of nonprofit organizations<br>• Successful marketing helps nonprofit organizations, including hospitals, charities, universities, zoos, and churches, attract membership and much-needed funds<br>• The marketing principles that apply to for-profit firms also impact nonprofit firms<br>• Pictured is the St. Jude Children's Research Hospital®; cafeteria, named "Kay Kafe" in honor of Kay® Jewelers' support of the hospital. By participating in St. Jude Children's Research Hospital® *Thanks and Giving*® campaign, Kay® |

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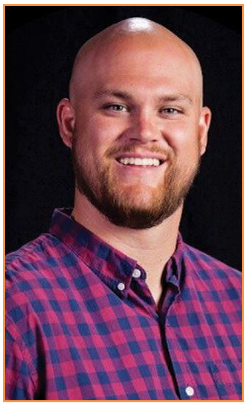
| | Jewelers has raised over $70 million in donations from employees and customers since 1999 |
| **Today's Professional**<br><br>*Photo provided by Murray Watts* | **Murray Watts**<br>*Territory Manager*, **Nobel Biocare, Salt Lake City, UT**<br><br>Murray Watts had to learn to build his personal brand to capture the attention of the oral surgeons, periodontists, prosthodontists, and general dentists he now works with. He provides insight in answering the following questions:<br><br>1. Describe your job.<br>2. How did you get your job?<br>3. What has been the most important thing in making you successful at your job?<br>4. What advice would you give soon-to-be graduates?<br>5. What do you consider your personal brand to be?<br><br>**Review with students:**<br>• What will make you stand out to a recruiter?<br>• What makes Murray a "thought leader"? |
| **PowerPoint Slides** | **Lecture Notes:**<br>• Your ability to market yourself will be critical to your success after you leave college<br>• Don't look at the information this book provides as a collection of random concepts that you can forget about once your final exam is taken<br>• Instead, think about how it will help you position yourself relative to others competing for the same job |

## MARKETING PLAN EXERCISE

**Your Marketing Plan.** As a professional in any field, it is important to have a comprehensive understanding of what a marketing plan is and why it is there. A marketing plan is an action-oriented document or playbook that guides the analysis, implementation, and control of all marketing activities. Throughout this book, you will develop a professional marketing plan. The twist is that your marketing plan will focus on how to *market yourself* to achieve your career goals.

Many businesses fail to execute on their marketing plans because they did not spend adequate time clearly identifying what they wanted or expected to do. As a first step in developing your personal marketing plan, you will need to identify the specific objectives that you want to achieve. In developing these objectives, you should ask yourself several questions, such as:

- Do I want to attend graduate school? If so, where and what program?
- Where do I want to work?
- Where do I want to live?
- What kind of life do I want to have?
- How much will I need to earn to have that life?

Such questions will help you focus on what specific things you need to do to achieve your goals. The more clearly you define your objectives, the more likely you are to realize them.

**Student Task:** Clearly state three to five specific objectives for your future, and include a brief one- to two-sentence description of each objective.

**How it Works:** Host a series of Personal Marketing Plan classes succeeding course exams. Each student should build a Personal Marketing Plan and realize that everyone is a marketer.

**Supporting Materials**: At the end of each chapter's Learning Worksheet is a place for students to immediately relate the course content to their Personal Marketing Plan. Additionally, a Personal Marketing Plan Worksheet is provided in the Instructor's online resources. The worksheet recaps the chapter's content and outlines the supporting topics for reference. It is recommended that the Personal Marketing Plan be a semester-long, graded project and outcome for the course.

## DISCUSSION QUESTIONS

1. Identify a firm that you think effectively markets its goods, services, or ideas, and describe how the firm creates, communicates, and delivers value. (Answer: Smoothie King is an international franchise that competes in a health-driven society while also being challenged to increase revenue, innovate, and build its brand. Smoothie King continues to grow and now has over 1,000 locations in three continents. A focus on value allows Smoothie King to expand and grow its customer base and communicate its value through marketing plans that relate specifically to the demographics.)
2. Reflect on the evolution of marketing over the past century. Then describe three major changes that you think will affect the field of marketing over the next decade. (Answer: Social media, globalization and e-commerce; open ended)
3. Ask five people you know to list their needs and wants. Are their lists accurate reflections of the definition of each? Are there any differences due to age or gender? (Answer: open ended; take note what people classify as wants and needs compared to the definition of each)
4. Illustrate each step of the ethical decision-making framework by examining whether the state you live in should use a lottery to help pay for part of your college tuition. What are the ethical issues? Who are the relevant stakeholders? How are those stakeholders affected by potential outcomes? What decision would you make? (Answer: Gambling may be considered a sin for some religions, and there are some that abuse gambling. Enabling gambling when there are known issues can cause new issues in the population. Stakeholders include the student and their families, communities who may greatly benefit from the financial support so money can be spent on other items, and the institutions who will receive the tuition. Open ended)
5. Describe three examples of promotion that caught your attention in your hometown. Why do you think each worked so well? (Answer: open ended; think about the purpose of each promotion, its target market, and whether or not the channel choice served its intended purpose)

## SOCIAL MEDIA APPLICATION

Choose three products that you currently use--for example, clothes that you wear, restaurants where you eat, or the car that you drive. Analyze the social media presence of these products using the following questions and activities as a guide:

1. What is being done to market each product on social media?
2. What are people saying about each product on social media?

3. Give each of the three products a grade (A-F) based on how effective you feel its social media presence is.
4. Describe why you gave each the grade that you did, and make recommendations for how the product's firm could improve its social media marketing activities (e.g., modifying content or utilizing a different social media platform).

This activity is located in an additional worksheet that can be used with group interaction, and can be found in the student learning resource section of the Instructor's online resources. A sample grading rubric for this activity is also provided.

**How it Works:** Host a series of Social Media Application classes preceding course exams. This serves as a review for exams and emphasizes social media as a major marketing focus in today's environment. Put students in learning groups, and have them complete the worksheets together. After 20-30 minutes of facilitated learning, call on students to respond to the questions and discuss responses as a class.

**Supporting Materials**: Social Media Application Worksheets and a sample grading rubric is provided in the Instructor's online resources. The worksheets recap the chapter's content and outline the supporting topics for reference. It is important for students to be able to connect social media to real world examples as it is conveyed in the chapter; therefore, the grading rubric focuses on this.

## MARKETING ANALYTICS EXERCISE

Have students complete the *Connect* exercise in Chapter 1 that introduces the topic of marketing analytics. The exercise gives you a basic overview of an Excel model used in marketing analytics activities.

## ETHICAL CHALLENGE

Marketing decisions are driven increasingly by analytics produced from massive amounts of consumer data. Every time you shop online or post something on a social media platform like Instagram, marketers capture lots of information about you that can be helpful, but also can create potential problems.

A Facebook study in 2012 sparked criticism from consumers when researchers from Facebook and Cornell University manipulated the news feeds of nearly 700,000 Facebook users for a week to gauge whether emotions spread on social media. The research found that users who saw more positive posts tended to write more positive posts themselves. The results were interesting for marketers who are increasingly trying to engage with and persuade consumers through social media. However, Facebook admitted that the study may have included users younger than 18. Facebook said it had changed its guidelines since the research was conducted and new studies now are vetted through three internal reviews, including one focused on privacy for user data.

The incident highlights how marketers can utilize the massive amount of data created online. A variety of companies, including Facebook and Google, routinely test adjustments to their sites to examine different effects. These changes include prompts to users to click on more links, or view more advertisements, which are the companies' main source of revenue.

The trade-offs between marketing information and consumer privacy are likely to be a strongly debated issue in the decade ahead. Use the ethical decision-making framework to answer the following questions:

1. What are the major ethical issues surrounding Facebook's study? Who are the affected stakeholders? How will those stakeholders be affected? (Answer: While it provides lots of consumer insight on a "free" platform, consumers should be made aware of what their actions on social media

are providing insight into. Firms, in turn, can use this information to target consumers who may not appreciate the added communication.)

2. Reviewing this case years later, monitor and assess the quality of Facebook's decision. (Answer: Open ended; It may become an expectation that marketers receive data and consumers willingly share it.)
3. As a consumer, how do you personally feel about the information that is captured about you and used to market products to you? Do your feelings affect your online buying behavior? (Answer: Open ended)

Source: See Reed Albergotti and Elizabeth Dwoskin, "Facebook Study Sparks Soul-Searching and Ethical Questions," *The Wall Street Journal*, June 30, 2014, http://www.wsj.com/articles/facebook-study-sparks-ethical-questions-1404172292.

## VIDEO CASE

Have students go to Connect to access the video case featuring April Slayton from the National Park Service that accompanies this chapter.

## CAREER TIPS

To help students think about how to market themselves and develop their own personal brand, follow these tips.

**Career Tips**

Photo provided by Steve DeVore

**Steve DeVore,** *President* at **Twin Oaks Integrated Marketing,** provides 10 marketing tips for landing the job of your dreams.

1. Realize what your résumé is and what your résumé isn't.
2. Break all the rules…in a smart way.
3. Customize your approach.
4. Be concise, but be meaningful.
5. Make your resume visually appealing. (Consider adding color, for example.)
6. Know what you want.
7. Go beyond Google.
8. Understand as much as you can about the people interviewing you.
9. Be prepared with unobvious answers.
10. Know what equity you want to leave behind.

**Review with students:**

- How will you customize your interview materials?
- What will your elevator speech be?
- What sources will you consult to do research on an organization prior to an interview?
- What questions will you practice beforehand?
- What kinds of questions will you ask the interviewers?