

# Solutions Manual for Marketing 8th Grewal

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## Chapter 1 Overview of Marketing

### Tools for Instructors

- Brief Chapter Outline
- Learning Objectives
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- Answers to End of Chapter Learning Aids
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- Additional Teaching Tips
- Connect Activities

### Brief Chapter Outline

What Is Marketing?

The Importance of Marketing over Time

How Does Marketing Create Value, and How Do Firms Become More Value Driven?

End of Chapter Learning Aids

Chapter Case Study: A Flood of Water Consumption Choices

### Learning Objectives

LO1-1 Define the role of marketing.

According to the American Marketing Association, formally, marketing is the “activity, set of institutions, and processes for creating, capturing, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. But marketing has a prominent role in every person’s daily life, whether he or she is exchanging money for conventional products, exchanging personal information for services, or exchanging time for a cause that gives him or her a good feeling. It includes a vast range of stakeholders, including not just the firm and the customer but also other members of the supply chain, communities, and society as a whole. Furthermore, the foundation of all marketing can be summarized in the four Ps, such that marketing defines the product, price, place, and promotion that firms use to get their offerings into consumers’ hands.

LO1-2 Detail the evolution of marketing over time.

Marketing has evolved from a production or sales-oriented approach, in which firms told people what they could and should buy, to a market- and value- oriented perspective. In this more recent view, firms look to their markets to tell them what they need to product and provide, in a way that creates value for them and their customers.

LO1-3 Describe how marketers create value for a product or service.

Value stems from at least four main activities that value-driven marketers undertake and are reinforced throughout the book:

- Adding value, such that they leverage various elements of marketing and work to build relationships with partners and customers to ensure that they introduce their product, service, or idea to the marketplace at just the place and time that customers want it.

- Marketing analytics, which companies use to gather vast amounts of information about customers and competitors, then analyze it and share it across their own organization and with partner firms.
- Social and mobile marketing, to take advantage of new technologies and connect with customers using the latest social media channels.
- Ethical and societal dilemmas, such that firms engage in conscious marketing that takes into account the benefits and costs of their actions for all stakeholders.

## Extended Chapter Outline with Teaching Tips

### I. What Is Marketing?

- A. Marketing Is About Satisfying Customer Needs and Wants
- B. Marketing Entails an Exchange
- C. Marketing Creates Value through Product, Price, Place, and Promotion Decisions
  - 1. Product: Creating Value
  - 2. Price: Capturing Value
  - 3. Place: Delivering the Value Proposition
  - 4. Promotion: Communicating the Value Proposition
- D. Marketing Can Be Performed by Individuals and Organizations
- E. Marketing Affects Various Stakeholders

**Progress Check:** Several questions are offered for students to check their understanding of core concepts.

1. *What is the definition of marketing?*

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

2. *Marketing is about satisfying \_\_\_\_\_ and \_\_\_\_\_.*

Answer: Marketing is about satisfying needs and wants.

3. *What are the four components of the marketing mix?*

Answer: The four components of the marketing mix are product, place, price, and promotion.

4. *Who can perform marketing?*

Answer: Both individuals and organizations can perform marketing as marketing can entail B2C, B2B, and C2C.

## II. The Importance of Marketing over Time

- A. Marketing Helps Create Value
  - 1. Production-Oriented Era
  - 2. Sales-Oriented Era
  - 3. Market-Oriented Era
  - 4. Value-Based Marketing Era

**Progress Check:** A question is offered for students to check their understanding of marketing over time.

5. *What are the various eras of marketing?*

Answer: The eras of marketing include the production era, sales era, market era, and value-based era.

## III. How Does Marketing Create Value, and How Do Firms Become Value Driven?

- A. Adding Value
- B. Marketing Analytics
- C. Social and Mobile Marketing
- D. Ethical and Societal Dilemma

**Progress Check:** Several questions are offered for students to check their understanding of core concepts.

1. *Does providing a good value mean selling at a low price?*

Answer: Value-based marketing isn't just about low price; it is also about creating strong products and services.

2. *How are marketers connecting with customers using social and mobile media?*

Answer: Marketers are steadily embracing new technologies, such as social and mobile media, to allow them to connect better with their customers and thereby serve their needs.

## Answers to End of Chapter Learning Aids

### Marketing Digitally

1. **Visit the websites for Hydro Flask ([www.hydroflask.com](http://www.hydroflask.com)), Yeti ([www.yeti.com](http://www.yeti.com)), and Nalgene ([www.nalgene.com](http://www.nalgene.com)) bottles. What value do these manufacturers provide customers? How are their value propositions different?**

Student responses will vary, and faculty should review the websites to verify currency. Hydro Flash focuses on its interpretation of simplicity through fun, adventure, and the outdoors. Yeti's mission is to "build the cooler you use every day if it existed." Nalgene focuses on the fact that their produce is made of 50% recycled content. The three companies differ in the way they view the benefits of the product. Hydro Flash views the psychological benefits of their products by stressing the adventures consumers can enjoy while using their products; whereas, yeti looks at the practical side in the variety of places where it makes sense to use their product. Nalgene uses an appeal to those who are concerned about the sustainability of the environment.

- 2. Go to Instagram.com and navigate to the "About Us" section. What is Instagram's mission? How could a marketer use Instagram, and what other social media tools could they use? What are the drawbacks a marketer might face when using Instagram to communicate with their customers?**

Mission: Facebook's mission is to capture and share the world's moments.

Marketers can use Instagram by encouraging users to incorporate #tags into their postings to promote the company. For marketers with a budget, Instagram offers filters to reach to promote the location where the picture was taken. They also offer the Instagram logo and other assets for use on websites, in store windows, or other marketing materials. Facebook and TikTok are other social media platforms that can be used. One drawback a marketer might face when using Instagram to communicate with their customers is that they have no control over the types of pictures the user might take and the image they might portray.

- 3. Visit the site of any company from which you receive some free service (e.g. Facebook, Spotify, TikTok, Twitter, Gmail). Check your settings to see what information you have given the company to exchange for the service. Is the value of the information you have provided equivalent to the value the company provides you with as a service?**

Students' answers will vary greatly depending on the service they visit and the privacy settings they have. Many people set up these services without really checking what information they don't have to share and what they do. Those who blindly set up these services without investigating the restrictions they can give in the privacy settings. The looser the privacy settings, the less likely students will believe that the exchange is worth it. Another factor that comes into play is that many times students lack the life experience to realize that negative ramifications that can come with sharing too much information so they may not realize how much they are giving away.

## Marketing Applications

- 1. Do you know the difference between needs and wants? When companies that sell coffee develop their marketing strategy, do they concentrate on satisfying their customers' needs or wants? What about a utility company, such as the local power company? A humanitarian agency, such as Doctors without Borders?**

Needs are essential items that individuals cannot live without. These include necessities like shelter, health care, basic food, and basic transportation. Wants are products that customers would like to have and view as improving their quality of life, like brand-name clothing, computers, and luxury vehicles.

This question is intended to make students think about the difference between customer needs and wants, as well as how companies might address one or both. It also challenges students to explore whether different types of companies address the needs and wants of consumers differently. Companies

that sell coffee most likely concentrate on satisfying customers' wants, as their products are not considered essential items. Firms also must respond to competitors' offerings. An electric utility company might have a strong imperative to satisfy customers' needs for reliable electricity but not focus as much on customer wants because it faces little market competition. Student responses should reflect an awareness of considering both consumers' wants and needs. Humanitarian agencies, like Doctors without Borders, are satisfying customers' needs, especially their basic needs for health care and medicine.

**2. People can apply marketing principles to finding a job. If the person looking for a job is the product, describe the other three Ps.**

Students should define the remaining Ps in the marketing mix and better define the product P. In addition, answers should consider how a person seeking employment can offer value to a potential employer and how employers might add value to prospective employees. Responses should answer the following questions.

What employer needs and wants can the applicant offer to fulfill (product)?

What will it cost the potential employer to hire the applicant (price)?

How will the employer promote the job to the pool of possible applicants (promotion)?

Where and when will the job be available (place)?

**3. What is the difference between a good and a service? When you buy a music subscription on Spotify, are you buying a good or service? Would your answer be different if you bought an MP3 album on Amazon?**

Goods are items that you can physically touch, whereas services are intangible customer benefits that are produced by people or machines and cannot be separated from the producer.

Students should understand that in terms of the creation of each, they are both "created" using raw materials that are "processed" into a finished output.

**4. One of your friends was recently watching TV and saw an advertisement that she liked. She said, "Wow that was great marketing!" Was the ad, in fact, marketing?**

Students frequently associate advertising with marketing but fail to recognize that advertising is just one part of all the functions encompassed by marketing. Student responses should acknowledge that marketing is made up of product, price, place, and promotion decisions and advertising is one of the promotional tools available to marketers.

**5. Using the four Ps, discuss how Hydro Flask creates value for customers with their water bottles.**

- Products: Vacuum insulated stainless steel water bottles
- Place: Hydro Flask water bottles are available online and at a variety of retailers nationwide including Walmart, Urban Supply, and Simple modern
- Promotion: The company tends to stay away from more traditional advertising to promote its bottles. Instead they promote through enter-to-win campaigns, discounts, and other giveaway promotions.
- Price: Generally the bottles are \$44.99, but price can vary based on the retail outlet

**6. Explain how a \$45 Timex watch and a \$10,000 Rolex watch deliver value to respective target markets? Which factors account for the dramatic difference in watch prices?**

Both Timex and Rolex watches meet the basic need of providing the time to consumers. Both are worn on the wrist and deliver the time, and often the date, in a readily-available format. Timex has a mass distribution channel strategy and a low price point that allows multiple segments of consumers to be able to afford and use this product. Timex has also built a reputation for reliable, tough watches that can be used by active people or consumers that work in harsh environments. Timex wearers are those looking for an affordable, durable watch that does its job.

Rolex watches are hand-crafted, built to meticulous standards, and often contain precious gems or metals. The watches incorporate the latest in technology and are known to become collectors' items. Wearing this watch convey elite status and the watches are recognizable as a luxury item. Rolex wearers are consumers who can afford one of the best watches money can buy and desire the craftsmanship and technical precision present in a handmade watch. They want a watch that conveys to the world more than just the day or time.

- 7. Assume you have been hired into the marketing department of a major consumer products manufacturer such as Nike. You are having lunch with some new colleagues in other departments—finance, manufacturing, and logistics. They are arguing that the company could save millions of dollars if it just got rid of the marketing department. Develop an argument that would persuade them otherwise.**

This scenario forces students to think about the purpose and value of marketing in an organizational context and allows for a variety of justifications. For example, a student could use an internal or external perspective and argue that finance, manufacturing, and logistics tend to worry less about the customer and more about internal processes, whereas the marketing and sales functions constantly focus outward on the customers the company serves. Using this argument, the student might question whether other departments are willing or prepared to take on customer relations and develop an understanding of how and why customers buy the company's product or service. Another argument might simply question how customers will even know about the company's products if the marketing department doesn't broadcast their features, benefits, and value outward.

- 8. Why do marketers like those at Apple find it important to embrace societal needs and ethical business practices? Provide an example of a societal need or ethical business practice that Apple is addressing.**

This question centers on the role of social and ethical issues in a marketing context. Students might mention efforts such as keeping the environment clean and offering fair wages to workers. For example, Apple develops multiple green initiatives. Some examples:

- The Apple Supplier Code of Conduct
  - Our Supplier Code of Conduct outlines our high standards for creating safer working conditions, treating workers fairly, and using environmentally responsible practices. It's one of the strictest in our industry and often requires practices above and beyond local law. To comply with the Code of Conduct, all suppliers must meet the stringent requirements in our Supplier Responsibility Standards.
- Clean Energy Program
  - In 2015, we launched our Clean Energy Program to reduce carbon emissions across our supply chain, which makes up nearly three-quarters of Apple's total carbon footprint. In China alone, we're working with our suppliers to install more than 2 gigawatts of clean energy.

### Quiz Yourself (answers are bolded)

1. Which of the following is *not* a function of marketing's value creation process?
  - a. Capturing value
  - b. Delivering value.
  - c. Communicating value.
  - d. Exchanging value.
  - e. **All of these functions are part of marketing's value creation process.**
  
2. Value creation is the central activity of marketing. Which is not a benefit to the firm from engaging in value creation and the ongoing process of identifying value-adding options for consumers?
  - a. The firm is able to satisfy consumers' needs.
  - b. The firm is able to expand.
  - c. The firm is able to build brand loyalty.
  - d. **The firm is able to sell fewer products.**
  - e. All of these are benefits to the firm.

### Chapter Case Study: A Flood of Water Consumption Choices

1. **How does marketing impact the consumption of water, and how has this impact changed since the mid-20<sup>th</sup> century?**

Students answers will vary, but they should include at least one of the following: as different consumer groups have diverse needs, marketers have expanded their offerings and thus provided more customer value. A wide range of companies produce a variety of products offered at distinct price points with unique promotions and found in expected places. Since the mid-20th century, these actions have added to the expansion of the consumption of water.

2. **Describe three distinct target markets for drinking water. How does marketing create value for each of these segments using the four Ps: product, price, place, and promotion?**

Answers will vary as this question is asking the students to identify different target markets. For example, first, for outdoor enthusiasts, marketers offer stainless steel containers that can withstand extreme temperatures and powerful impacts. These items are priced at a slight premium due to premium manufacturing costs. These items are sold at outdoor stores, alongside outdoor gear and hiking boots. These items are advertised in outdoor magazines and demonstrated at outdoor enthusiasts' trade shows. Second, for urban commuters, marketers offer vacuum insulation technology for max temperature retention. These items are priced at a competitive level to be appealing to this cost-conscious target market. These items are sold at general and discount retailers where these commuters do most of their shopping. These items are advertised with banner ads alongside search results for urban transportation information. Finally, for the fashion-conscious, marketers offer chic designs that can be used in customer's style choices. These items are priced at a high premium in alignment with this customer's other fashion choices. These items are sold at high-end clothing and shoe stores where fashion-forward customers shop. These items are advertised with banner ads alongside search results for fashion choices and style recommendations.

3. **How has changing societal values impacted the way in which water is purchased and consumed?**

Students answers will vary, but they should include sustainability in their answer. Recent changes reflecting societal and ethical norms have prioritized sustainability. These changes have led to different pricing structures. Conventional spring water in a single-use plastic bottle is quite inexpensive; however, some are willing to pay \$60 to obtain a sustainably produced, reliable, safe water bottle that they can use for years. They also might seek water that has been filtered or otherwise certified safe, which constitutes a growing concern. The products thus have shifted and expanded to meet consumers' diverse needs.

#### **4. How has the manner in which you consume water changed in the past five years?**

Answers will vary as this question is asking the students to identify their own behavior.

### **Additional Teaching Tips**

In this chapter, the goal is to provide an overview of marketing and encourage students to think about the specific aspects of the marketing mix.

*Place* is one of the most difficult concepts for students because it is largely invisible to them as consumers. They touch hard goods, experience services, view and hear promotions, and pay for what they buy, but it can seem that products almost appear magically. One recent trend among environmentally conscious consumers is to seek out products produced within a 100-mile radius of their hometowns. Buying these products reduces costs and detrimental environmental effects by reducing emissions associated with transportation and storage. Students should visit local grocery markets, identify goods, and investigate how far the products traveled (and by what means) to reach the store's shelves. From this experience, a rich discussion of both distribution decisions and marketing's impact on society can evolve.

To make the *eras of marketing* clear to students, divide the class into groups with each group assigned to a specific era. Ask the students to identify a business that adheres to their assigned era in terms of its business philosophy and approach. They should present the business to the class with evidence of the business's philosophy. Each brief presentation should include an assessment of whether the orientation is appropriate to the business given its competitive environment, target audience, and positioning strategy and if not, what orientation would be best.

## Connect Activities

| Activity                                                    | Type               | Learning Objectives 01- |    |    |
|-------------------------------------------------------------|--------------------|-------------------------|----|----|
|                                                             |                    | 01                      | 02 | 03 |
| Zipcar: Creating Value in the Marketplace                   | Case Analysis      | X                       | X  | X  |
| The Marketing Mix: Travel Goods and Services                | Click & Drag       | X                       |    |    |
| The Marketing Mix: Travel Goods and Services                | Keyboard Navigable | X                       |    |    |
| Jeans                                                       | Video Case         | X                       | X  |    |
| Value: The Bottled Water Industry                           | Video Case         | X                       | X  |    |
| Delivering Value at Red Mango                               | Video Case         | X                       | X  |    |
| Dunkin' Donuts: Delivering on the Brand Promise             | Video Case         | X                       | X  |    |
| From Beans to Pralines: The Global Chocolate Market         | Case Analysis      | X                       | X  | X  |
| Making a Market: Vosges Haut-Chocolat                       | Video Case         | X                       | X  |    |
| ISeelt Video Case: Value Creation Through the Marketing Mix | Video Case         | X                       |    |    |
| Marketing at The Gluten Free Bar (GFB)                      | Video Case         | X                       | X  | X  |
| A Flood of Water Consumption Choices                        | Case Analysis      | X                       |    |    |

### ZipCar: Creating Value in the Marketplace

- **Activity Type:** Case Analysis
- **Learning Objectives:** 01-01, 01-02, 01-03
- **Difficulty:** Medium
- **Activity Summary:** This case describes Zipcar's operations, focusing on how it creates value. Students answer questions relating the case to chapter concepts.

#### Activity

- **Introduction:** Nearly a decade ago, the founders of Zipcar decided to bring the car-sharing experience to the United States. Since then, Zipcar has developed the gold standard by offering its members 24/7 access to thousands of cars around the world and creating a revolution in the way many think about alternate transportation.

This activity is important because understanding the marketplace, especially consumers' needs and wants, is fundamental to marketing success.

The goal of this exercise is to demonstrate how marketing focuses on creating value for customers, clients, partners, and society at large.

- **Concept Review:** Understanding the marketplace, and especially consumers' needs and wants, is fundamental to marketing success. Marketing focuses on creating value for customers, clients, partners, and society at large.

#### Follow-up Activity

Zipcar has a special program targeted at universities. Ask the students the following questions:

- How might students' wants and needs differ from those of Zipcar customers in general?

- What kind of marketing (B2C, B2B, C2C) is Zipcar engaging in when it works with universities to get Zipcar locations approved on campus?
- How can Zipcar create value for university administrators, such that they would be interested in having Zipcar locations on campus?

After discussing these points, visit the Zipcar website and look at the “for universities” tab. Note the two columns addressing how Zipcar creates value for two different audiences: university administrators and students.

### The Marketing Mix: Travel Goods and Services

- **Activity Type:** Click & Drag
- **Learning Objectives:** 01-01
- **Difficulty:** Medium
- **Activity Summary:** The student is presented with eight marketing activities performed by two travel companies—one that manufactures products, and one that offers services. Students are asked to classify the activities according to both the marketing mix element and the product type (goods or services) it represents.

#### Activity

- **Introduction:** Two travel-oriented companies—one a producer of goods, the other a service provider—have different marketing mixes. In this activity, you categorize a set of statements about each company's marketing activities according to the four Ps (product, price, place, and promotion). This activity is important because one of the core aspects of marketing is to create value for customers. Marketing traditionally has been divided into a set of four interrelated decisions known as the marketing mix, or four Ps: product, price, place, and promotion. Two travel-oriented companies—one a producer of goods, the other a service provider—have different marketing mixes.

The goal of this exercise is to recognize that companies make different marketing mix decisions to offer value. In this activity, you will categorize a set of statements about each company's marketing activities according to the four Ps (product, price, place, and promotion).

- **Concept Review:** Marketing traditionally has been divided into a set of four interrelated decisions known as the marketing mix, or four Ps: product, price, place, and promotion.

A sentence of explanation is offered for each of the rectangles to the left when the student rolls the mouse pointer over it.

#### Follow-Up Activity

- In small groups, have students select a company/brand from which they buy products or services. Then, have them fill in examples of marketing activities that fit into each of the four Ps.

### The Marketing Mix: Travel Goods and Services - Alternative

- **Activity Type:** Keyboard Navigable Version of the Drag and Drop Above
- **Learning Objectives:** 01-01
- **Difficulty:** Medium
- **Activity Summary:** The student is presented with eight marketing activities performed by two travel companies—one that manufactures products, and one that offers services. Students are asked to

classify the activities according to both the marketing mix element and the product type (goods or services) it represents.

#### Activity

- **Introduction:** Two travel-oriented companies—one a producer of goods, the other a service provider—have different marketing mixes. In this activity, you categorize a set of statements about each company's marketing activities according to the four Ps (product, price, place, and promotion). This activity is important because one of the core aspects of marketing is to create value for customers. Marketing traditionally has been divided into a set of four interrelated decisions known as the marketing mix, or four Ps: product, price, place, and promotion. Two travel-oriented companies—one a producer of goods, the other a service provider—have different marketing mixes.

The goal of this exercise is to recognize that companies make different marketing mix decisions to offer value. In this activity, you will categorize a set of statements about each company's marketing activities according to the four Ps (product, price, place, and promotion).

- **Concept Review:** Marketing traditionally has been divided into a set of four interrelated decisions known as the marketing mix, or four Ps: product, price, place, and promotion.

A sentence of explanation is offered for each of the rectangles to the left when the student rolls the mouse pointer over it.

#### Follow-Up Activity

- In small groups, have students select a company/brand from which they buy products or services. Then, have them fill in examples of marketing activities that fit into each of the four Ps.

#### Jeans

- **Activity Type:** Video Case
- **Learning Objectives:** 01-01, 01-02
- **Difficulty:** Medium
- **Activity Summary:** This video case discusses the market for blue jeans, with its wide price range and many different sets of customer needs and wants. After the video ends, students are asked questions about the video and related course concepts.

#### Activity

- **Introduction:** Marketing involves satisfying the needs and wants of consumers. However, not all consumers have the same needs and wants. The marketing of blue jeans is a good example of how marketers develop a different marketing mix to suit the needs of different consumers.
- **Concept Review:** First invented in the United States, blue jeans represent everything American. How blue jeans went from their humble beginnings to the height of high fashion is a marketing success story. There are dozens of brands, ranging from the \$10 pair to the \$1,000 pair, with numerous offerings between the two extremes to meet the needs of every type of consumer. Marketers must understand what consumers value in order to manage the marketing mix to deliver the right set of benefits to different consumers.
- **Video:** The video is presented to the student below the introductory information. The video plays embedded on the page, after which questions are presented.

### Follow-Up Activity

In groups or individually, ask students to:

1. List all the brands of jeans they can think of, from basic discount brands to the hip designer brands.
2. Use the Internet to find typical prices for a pair of jeans in each brand.
3. Enter the prices into a spreadsheet and generate a scattergram of the prices. (You can use options to have each point labeled by its brand name.)

Then discuss: How could this scattergram be useful to marketers of each brand? Possible answers:

- It shows the overall price range so a brand can tell if its price is unusually high or low.
- It MIGHT indicate which brands are competing head-to-head (the ones whose dots on the scattergram are closest together), though it's important to note that pricing is only one dimension on which brands can be similar or different. They may be targeting different age or size ranges or aiming to establish different brand images.

### Value: The Bottled Water Industry

- **Activity Type:** Video Case
- **Learning Objectives:** 01-01, 01-02
- **Difficulty:** Medium
- **Activity Summary:** This video case traces the evolution of the bottled water industry. After the video ends, students are asked questions about the video and related course concepts.

### Activity

- **Introduction:** Bottled water companies create value for customers even though they sell a natural resource that is free and abundant. Water was first positioned as a premium product that indicated status and sophistication. Since then, soft drink companies with large distribution networks, such as PepsiCo and Coca-Cola, have marketed bottled water at lower prices. This activity is important because all marketers must consistently find ways to integrate their different functions into customer value.
- **Concept Review:** The American Marketing Association states that marketing is “an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.” The goal of this exercise is to demonstrate your understanding that marketing is a multifaceted function. Although marketing is a multi-faceted function, its fundamental purpose is to create value by developing a variety of offerings, including goods, services, and ideas, to satisfy customer needs.
- **Video:** The video is presented to the student below the introductory information. The video plays embedded on the page, after which questions are presented.

### Follow-Up Activities

Hold a group discussion—or a structured debate, with students assigned to argue a particular position—on the ethics of the bottled water industry. Some potential sources:

#### Summary of the issues from environmental and clean water advocacy groups:

- <http://www.nrdc.org/water/drinking/qbw.asp> - Natural Resources Defense Council. Addresses both water safety and environmental impact

- [http://thewaterproject.org/bottled\\_water\\_wasteful](http://thewaterproject.org/bottled_water_wasteful) - from The Water Project

#### How bottled water brands are trying to address concerns:

- <http://www.prnewswire.com/news-releases/pepsicos-aquafina-launches-the-eco-fina-bottle-the-lightest-weight-bottle-in-the-market-61940397.html> - a press release from Pepsi about the Aquafina Eco-Fina® bottle.
- <http://www.dasani.com> - Dasani's statement about its recycling efforts. Click on "DASANI Initiatives."
- <http://www.evian.com/en-us> - Evian's website contains several sections addressing concerns ("evian and your health" discusses water quality; "evian and the environment" discusses various initiatives related to environmental protection). Also, show one of the Evian Babies ads. <https://www.youtube.com/watch?v=XQcVIIWpwGs&list=PL9F5EBE51067E2A88> is probably Evian's best known ad, featuring the Roller Babies. How might this ad, with its use of babies, help to combat the view of bottled water as an unhealthy and environmentally undesirable product?
- <http://blogs.ei.columbia.edu/2009/08/11/%E2%80%99Cethical%E2%80%99D-bottled-water-companies> - Discusses strategies of Ethos water and others selling "ethical" bottled water.

#### Delivering Value at Red Mango

- **Activity Type:** Video Case
- **Learning Objectives:** 01-01, 01-02
- **Difficulty:** Medium
- **Activity Summary:** This video reviews Red Mango's marketing mix and its approaches to value creation. After the video ends, students are asked questions about the video and related course concepts.

#### Activity

- **Introduction:** Founder Dan Kim opened the first U.S.- based Red Mango in Los Angeles in 2007. He quickly expanded, and there are currently more than 200 locations in 27 states, plus three locations outside the U.S. Red Mango has successfully combined a healthy product (frozen yogurt) with cool, fun shops to hang out in. Red Mango uses 100% all natural, non-fat or low-fat kosher, and gluten-free frozen yogurt fortified with probiotics. It has expanded its menu to include fresh fruit smoothies, parfaits, and probiotic iced teas. Red Mango was named the number one smoothie and frozen yogurt chain in America in Zagat's 2011 National Chain Restaurants Survey. The following video illustrates how Red Mango delivers superior value to customers.
- **Concept Review:** This activity is important because you must understand that marketing strives to create value in many ways. If marketers are to succeed, their customers must believe that the firm's products and services are valuable; that is, they are worth more than they cost. Value represents the relationship of benefits to costs. Marketers deliver value through the marketing mix—the 4 Ps: product, price, place, and promotion. Firms become value driven by sharing information, balancing customer benefits and costs, concentrating on building long-term relations with loyal customers, and creating connections with customers by using social and mobile media. To achieve this, marketers must understand customers' needs and wants. The goal of this activity is to demonstrate your awareness that successful marketing also requires thoughtful planning, with an emphasis on the ethical implications of any of those decisions on society in general.
- **Video:** The video is presented to the student below the introductory information. The video plays embedded on the page, after which questions are presented.

### Dunkin' Donuts: Delivering on the Brand Promise

- **Activity Type:** Video Case
- **Learning Objectives:** 01-01, 01-02
- **Difficulty:** Medium
- **Activity Summary:** This video case discusses the overall strategy Dunkin' Donuts uses to build its brand and create value for customers. After the video ends, students are asked questions about the video and related course concepts.

#### Activity

- **Introduction:** For more than sixty years Dunkin' Donuts has been known for its donuts, but recently the company has increased its focus on coffee, responding to the growing popularity of coffee in the United States. This activity is important because it shows how Dunkin' Donuts uses the four Ps to help differentiate its coffee brand from that of its many competitors.

The goal of this exercise is for you to gain a better understanding of how firms develop strategies based around the four Ps.

- **Video:** The video is presented to the student below the introductory information. The video plays embedded on the page, after which questions are presented.

#### Follow-Up Activity

- Discuss how Dunkin' Donuts uses its strategy to differentiate itself from its major competitors in the Coffee and Breakfast marketplace. Some points to consider:
  - Dunkin' Donuts focuses on good value at a reasonable price, mixing coffee and food.
  - Starbucks focuses more on quality to justify its high price, and has a stronger focus on coffee drinks, with food available but not a primary focus.
  - McDonald's offers food at all times of the day in addition to its McCafé offerings. It has thousands of locations and keeps a strong focus on low price and fast service.

### From Beans to Pralines: The Global Chocolate Market

- **Activity Type:** Case Analysis
- **Learning Objectives:** 01-01, 01-02, 01-03
- **Difficulty:** Medium
- **Activity Summary:** Students read a case reviewing strategies adopted by different chocolate brands, and then answer questions requiring them to apply the six core aspects of marketing to what they have read.

#### Activity

- **Introduction:** The worldwide chocolate market is huge, with cocoa bean growers spanning three continents, processors located all over the world, and multiple chocolate brands serving the preferences of different consumers. This activity is important because it gives you a solid "big picture" view of the scope of marketing via the chocolate industry.

The goal of this exercise is to test your understanding of the six core aspects of marketing by applying these concepts to the global chocolate market.

### Follow-Up Activity

- Students might enjoy learning about Dr. Dan Ariely's "Hershey Kiss Experiment," in which students were offered a Lindt truffle or a Hershey kiss. When the truffle cost 26 cents and the kiss cost 1 cent, equal numbers of students chose each; when the truffle cost 25 cents and the kiss was free, the vast majority chose the kiss. It illustrates the power of "FREE!", and is discussed further in this article: <http://danariely.com/2009/08/10/the-nuances-of-the-free-experiment/>.

### Making a Market: Vosges Haut-Chocolat

- Activity Type:** Video Case
- Learning Objectives:** 01-01, 01-02
- Difficulty:** Medium
- Activity Summary:** This video case presents a marketing mix for a small brand that seeks to differentiate itself through luxury and innovation. After the video ends, students are asked questions about the video and related course concepts.

### Activity

- Introduction:** Vosges Haut-Chocolat is a chocolate brand seeking to make consumption of their chocolate a luxury experience, which has grown along with the market for high-end chocolate. The video discusses how Vosges has created a cohesive marketing strategy focused on luxury and innovation.

This activity is important because successful marketing requires an understanding of the full range of marketing activities, and of the importance of ensuring that all these activities serve a common strategy.

The goal of this exercise is to test your understanding of the basic concepts of marketing.

- Video:** The video is presented to the student below the introductory information. The video plays embedded on the page, after which questions are presented.

### Follow-Up Activity

- Compare Vosges to Godiva, which is probably the best-known luxury chocolate brand in the USA. What advantages does Godiva have over Vosges? How can Vosges compete successfully with Godiva (both in terms of its current activities and other things it might do)? Points to consider:
  - Godiva has far more brand recognition, more of its own stores, and a wider distribution network.
  - Vosges has its innovative flavors; in addition, the very fact that it is not as well-known might allow the brand to create a more exclusive, super-premium image.

### iSeelt Video Case: Value Creation Through the Marketing Mix

- Activity Type:** Video Case
- Learning Objectives:** 01-01

- **Difficulty:** Easy
- **Activity Summary:** The iSeelt video cases available for most chapters introduce key concepts through examples that are familiar to students from their own lives. This short activity uses different consumer preferences for coffee shops to illustrate how marketing creates value.

### Activity

- **Introduction:** Value is when a customer receives more than they give up, such as when a customer pays for a product or service. The definition of value often shifts based upon what each customer is looking for in the product or service they are purchasing. Take for instance the Hernandez family and their search for the perfect cup of coffee. Mom, Dad, and Gabby each place value on different aspects of the coffee drinking experience. Gabby looks for a unique experience, often provided by independent coffee shops, and is willing to pay more for that experience. Mom, on the other hand, wants the consistency and convenience provided by chains while Dad is not interested in anything fancy but is simply looking for a cheap cup of coffee. Before organizations can effectively market their coffee to this family with such diverse needs, they need to understand where each consumer places value and meet their needs using the marketing mix.

Customer value is the unique combination of benefits received by targeted buyers that includes quality, convenience, on-time delivery and both before-sale and after-sale service at a specific price. For organizations to provide value and effectively satisfy consumer needs, they must understand their target market and adjust the marketing mix accordingly.

- **Video:** The video is presented to the student below the introductory information. The video plays embedded on the page, after which questions are presented.

### Follow-Up Activity

- Discuss some of the places around your university where people can go for a cup of coffee. How do they differ in the value they offer?

### Marketing at The Gluten Free Bar (GFB)

- **Activity Type:** Video Case
- **Learning Objectives:** 01-01, 01-02, 01-03
- **Difficulty:** Easy, Medium
- **Activity Summary:** Students watch a video that addresses how the marketplace is divided into groups of potential customers who are important to Gluten Free Bar (GFB) for different reasons.

### Activity

- **Introduction:** From the beginning of the morning until the late hours of the evening, marketing is a core part of everyone's life. This activity is important because understanding the needs and wants of consumers is essential to marketing success. The marketplace can be segmented or divided into groups of potential customers who are important to an organization for different reasons. These future buyers, along with the companies as sellers, trade things of value so that each is better off as a result.

The goal of this exercise is to demonstrate your understanding of the role of marketing in organizations.

- **Video:** The video is presented to the student below the introductory information. The video plays embedded on the page, after which questions are presented.

#### Follow-Up Activity

- Discuss the criteria for segmenting a market. Depending on the size of the city or town in which your school is located, have students think of products that can successfully be marketed in your location and others that might not. If the city is large, consider products that succeed there but might not in a smaller town. If school is in a small college town, consider products that are available in larger areas but not yours. Lead the students in a discussion of why those products can succeed or why they can't, based on the criteria required for segmenting a market.

#### A Flood of Water Consumption Choices

- **Activity Type:** Case Analysis
- **Learning Objectives:** 01-01
- **Difficulty:** Medium
- **Activity Summary:** Students read a case about how the consumption of water has changed and then answer questions about the case.

#### Activity

- **Introduction:** This activity is important because organizations must understand the role of marketing fits with customers and companies. Understanding the marketplace, and especially consumer needs and wants, is fundamental to marketing success. Good marketing needs to be planned with a recognition of how the implications of those decisions affect society. Marketing traditionally has been divided into a set of four interrelated controllable decisions and consequent actions known as the marketing mix, or four Ps: product, price, place, and promotion. Ultimately, marketing involves an exchange in which both parties should be satisfied after the transaction.

The goal of this exercise is to demonstrate your understanding of the role that marketing plays in creating value and why it is important.