

## CHAPTER 2: The Marketing Environment, Social Responsibility, and Ethics

This chapter begins with the learning outcome summaries, followed by a set of lesson plans for you to use to deliver the content in Chapter 2.

- [Lecture](#) slides (for large sections) on page 4.
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- [Great Ideas for Teaching Marketing](#) from faculty around North America begin on page 19.

## **1 Discuss the external environment of marketing and explain how it affects a firm**

The external marketing environment consists of social, demographic, economic, technological, political and legal, and competitive variables. Marketers generally cannot control the elements of the external environment. Instead, they must understand how the external environment is changing and the impact of change on the target market. Then marketing managers can create a marketing mix to effectively meet the needs of target customers within the larger context of the external environment.

## **2 Describe the social factors that affect marketing**

Within the external environment, social factors are perhaps the most difficult for marketers to anticipate. Several major social trends are currently shaping marketing strategies. First, people of all ages have a broader range of interests, defying traditional consumer profiles. Second, changing gender roles are bringing more women into the workforce and increasing the number of men who shop. Third, a greater number of dual-career families has created demand for timesaving goods and services.

## **3 Explain the importance to marketing managers of current demographic trends**

Demography is the study of people's vital statistics, such as their age, ethnicity, and location. Today, several basic demographic patterns are influencing marketing mixes. Because the Canadian population is growing more slowly than before, marketers can no longer rely on profits from generally expanding markets. Marketers are also faced with increasingly experienced consumers among the younger generations such as GenX and GenY. And because the population is also growing older, marketers are offering more products that appeal to middle-aged and elderly markets. The Canadian demographic composition is unique in that over 50% of the Canadian population lives in four major urban regions.

## **4 Explain the importance to marketing managers of multiculturalism and growing ethnic markets**

Multiculturalism occurs when all major ethnic groups in an area are roughly equally represented. Growing multiculturalism makes the marketer's task more challenging. Each year, nearly 250,000 immigrants arrive in Canada. Close to three-quarters of these arrivals are classified as visible minorities, thus, creating a need to understand these market segments and serve them. Many companies are now creating departments and committees to effectively target multicultural market segments. Companies have quickly found that ethnic markets are not homogeneous.

## **5 Identify consumer and marketer reactions to the state of the economy**

Economic factors in the environment affect consumer demand. Marketers follow trends in consumer income to forecast what type of products will be demanded. Inflation, a period of rising prices, tends to make consumers less brand loyal and likely to stock up on sale items. After adjustment for inflation, the median household income in Canada in 2007 was approximately \$58,000. Increased incomes don't mean a higher standard of living.

## **6 Identify the impact of technology on a firm**

Monitoring new technology is essential to keeping up with competitors in today's marketing environment. Canada excels in basic research and, in recent years, has dramatically improved its track record in applied research. Information technology and the Internet have been driving increased Canadian productivity for the past decade. Without innovation, Canadian companies can't compete in global markets.

## 7 Discuss the political and legal environment of marketing

All marketing activities are subject to provincial and federal laws and the rulings of regulatory agencies. Marketers are responsible for remaining aware of and abiding by such regulations. In Canada, the constitution divides legal jurisdiction between the provincial legislatures and the federal government, thus allowing each level of government to legislate in areas for which they have been given responsibility. For example, Quebec Bill 101 restricts the use of English language in certain advertising and promotion material, and this necessitates national businesses to meet the provincial as well as federal laws (refer to Exhibits 3.2 and 3.3 in the book).

## 8 Explain the basics of foreign and domestic competition

The competitive environment encompasses the number of competitors a firm must face, the relative size of the competitors, and the degree of interdependence within the industry. Declining population growth, rising costs, and shortages of resources have heightened domestic competition. Meanwhile, dwindling international barriers are bringing in more foreign competitors and offering expanding opportunities for Canadian companies abroad.

## 9 Discuss corporate social responsibility

Responsibility in business refers to a firm's concern for the way its decisions affect society. Social responsibility has four components: *economic*, *legal*, *ethical*, and *philanthropic*. These are intertwined, yet the most fundamental is earning a profit. If a firm does not earn a profit, the other three responsibilities are moot. Most businesspeople believe they should do more than pursue profits. Although a company must consider its economic needs first, it must also operate within the law, do what is ethical and fair, and be a good corporate citizen. The concept of sustainability is that socially responsible companies will outperform their peers by focusing on the world's social problems and viewing them as an opportunity to earn profits and help the world at the same time.

## 10 Describe the role of ethics and ethical decisions in business

Business ethics may be viewed as a subset of the values of society as a whole. The ethical conduct of businesspeople is shaped by societal elements, including family, education, religion, and social movements. As members of society, businesspeople are morally obligated to consider the ethical implications of their decisions.

Ethical decision making is approached in three basic ways. The first approach examines the consequences of decisions. The second approach relies on rules and laws to guide decision making. The third approach is based on a theory of moral development that places individuals or groups in one of three developmental stages: preconventional morality, conventional morality, or postconventional morality.

Many companies develop a code of ethics to help their employees make ethical decisions. A code of ethics can help employees identify acceptable business practices, can be an effective internal control on behaviour, can help employees avoid confusion when determining whether decisions are ethical, and can facilitate discussion about what is right and wrong.

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### TERMS

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applied research	demography	morals
baby boomers	environmental management	multiculturalism
basic research	ethics	purchasing power
code of ethics	Competition Bureau	pyramid of corporate social
component lifestyles	Health Canada	responsibility
Consumer Product Safety	Generation X	recession
Commission (CPSC)	Generation Y	sustainability
corporate social responsibility	inflation	target market

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LESSON PLAN FOR LECTURE

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**Brief Outline and Suggested PowerPoint Slides:**

Slides are available at [www.icanmktg2.com](http://www.icanmktg2.com).

Learning Outcomes and Topics	PowerPoint Slides
<b>1.</b> Discuss the External Marketing Environment	2: Social Responsibility, Ethics, and the Marketing Environment 3: Learning Outcomes 4: Learning Outcomes (continued) 5: The External Marketing Environment 6 & 7: A Key Marketing Management Decision 8: Environmental Scanning 9: External Environment
<b>2.</b> Describe the Social Factors That Affect Marketing	10 & 11: Social Factors 12: Marketing-Oriented Values 13: Perception That Canadians Are ... 14: Values Influencing Buying Habits 15: Component Lifestyles 16: Family
<b>3.</b> Explain the Importance to Marketing Managers of Current Demographic Trends	17: Demographic Factors 18: Tweens and Teens 19 & 20: Generation Y 21: Generation X 22–24: Baby Boomers 25: Population Shifts in Canada
<b>4.</b> Explain the Importance to Marketing Managers of Multiculturalism and Growing Ethnic Markets	26: Growing Ethnic Markets 27: Multiculturalism 28: Ethnic and Cultural Diversity
<b>5.</b> Identify Consumer and Marketer Reactions to the State of Economy	29 & 30: Economic Factors 31 & 32: Consumers' Incomes 33: Purchasing Power 34: Inflation 35: Recession
<b>6.</b> Identify the Impact of Technology on a Firm	36 & 37: Technological Factors
<b>7.</b> Discuss the Political and Legal Environment of Marketing	38: Political and Legal Factors 39: Competition Bureau 40 & 41: Specialized Federal Legislation 42: Provincial and Territorial Laws 43: Self-Regulation 44: Consumer Privacy
<b>8.</b> Explain the Basics of Foreign and Domestic Competition	45 & 46: Competitive Factors

Learning Outcomes and Topics	PowerPoint Slides
9. Discuss Corporate Social Responsibility	47 & 48: Corporate Social Responsibility 49: Pyramid of Corporate Social Responsibility 50 & 51: Growth of Social Responsibility 52: Green Marketing
10. Explain the Role of Ethics and Ethical Decision Making in Business	53–55: Ethical Behaviour in Business 56 & 57: Morality and Business Ethics 58 & 59: Factors Influencing Ethical Decision Making 60: Ethical Guidelines 61: Your Turn 62: Your Turn

### Suggested Homework:

- The end of this chapter contains assignments for the Company Clip video, Method—[People Against Dirty](#); the [Movember](#) case; and an alternate case, [Rockstar Games](#).
- The end of this chapter also contains numerous [Great Ideas](#) that can be assigned or used as the basis for longer investigations into marketing.

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## LESSON PLAN FOR COMPANY CLIPS VIDEO

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### Company Clip

#### Segment Summary: Method—People Against Dirty

Method’s first “lab” was the kitchen of founders Eric Ryan and Adam Lowry, two friends whose goal was to evolve the household cleaner from a toxic object that hid under the sink to an all-natural, biodegradable, and stylish counter-top accessory. This video segment shows Method through yet another lens, that of corporate social responsibility (CSR) and sustainability. Chemical engineer Adam Lowry outlines the chemical aspects of traditional cleaning products and describes how Method’s products are healthier. As you watch the video, keep in mind the various marketing orientations you learned in Chapter 1.

PRE-CLASS PREP FOR YOU:	PRE-CLASS PREP FOR YOUR STUDENTS:
<ul style="list-style-type: none"> <li>• Preview the Company Clips video segment for Chapter 2. This exercise reviews concepts for LO1, LO9, and LO10</li> <li>• Review your lesson plan.</li> <li>• Make sure you have all the equipment needed to show the video to the class, including the DVD and a way to project the video.</li> </ul>	<ul style="list-style-type: none"> <li>• Have students familiarize themselves with the following terms and concepts: <i>corporate social responsibility, environmental management, sustainability, and demography.</i></li> <li>• Review website with those terms in mind: <a href="http://www.methodhome.com">www.methodhome.com</a></li> </ul>
<b>VIDEO REVIEW EXERCISE</b>	
<b>ACTIVITY</b>	
<b>Warm Up</b>	Begin by asking students: “ <i>What is corporate social responsibility (CSR)?</i> ” and “ <i>What do businesses</i>

	<i>that want to be socially responsible need to consider?”</i>
<b>In-class Preview</b>	Segue into a discussion of <i>sustainability</i> .
	<ul style="list-style-type: none"> <li>Review how elements in the external environment create opportunities as well as threats to a firm’s marketing mix. Consider diagramming the external on the board as you review the concepts.</li> <li>Ask students to volunteer the seven classifications, or factors, that marketing managers may attempt to <i>manage</i> or shape within the external environment.</li> <li>Review the four cohorts in present-day demographics. Ask why demographic characteristics are important to know.</li> </ul>
<b>Viewing</b> <i>(Solutions below)</i>	<ul style="list-style-type: none"> <li>Does method have a societal marketing orientation, or is it just a market-oriented company that integrates a number of environmental practices into its operations? Explain.</li> <li>How is method practicing sustainability?</li> <li>Discuss the changing social factors that have made it possible for Method to be so successful</li> </ul>
<b>Assigning</b>	<ul style="list-style-type: none"> <li><a href="#">Company Clip Video Assignments</a> can be distributed to students after they view the video. These assignments and their solutions are located at the end of this chapter.</li> <li>Video assignments are also assignable in <b>CourseMate</b> where students can email their answers to the instructor.</li> </ul>
<b>Follow-up</b>	<ul style="list-style-type: none"> <li>Send students back to Method’s website at <a href="http://www.methodhome.com">www.methodhome.com</a>. Have students write a brief paragraph about how Method uses its website to demonstrate its corporate social responsibility.</li> <li>Have students use the Internet or Yellow Pages to identify a premium retail store, such as those mentioned in the Method video. Students should then e-mail or call the company and ask the manager or sales personnel to describe their clientele and the types of products they sell to them. Ask students to be prepared to share their research at the next class meeting.</li> </ul>

**Solutions for Viewing Activities:**

- Does Method have a societal marketing orientation, or is it just a market-oriented company that integrates a number of environmental practices into its operations? Explain.**

Students’ answers will vary but might consider that Method exhibits a societal marketing orientation in that it purposefully channels creative drive, business partnerships, and environmental interests so that its “growth is for the better, not for the worse” as far as the environment is concerned.

- How is Method practicing sustainability?**

It uses a renewable energy source, uses recyclable packaging, plants trees so as to be carbon dioxide neutral (not contributing to CO<sub>2</sub> emissions), and has a plan to encourage other businesses and not-for-profits to “engage and inspire” consumers into the use of green products.

- Discuss the changing social factors that have made it possible for Method to be so successful.**

The scientific research that co-founder Adam Lowry was engaged in at the time led him to consider creating an environmentally sound solution for mainstream consumers. The availability of research that led to biodegradable plastics and other chemical advances also a big part of Method’s success. Growing social awareness because of the breadth and depth of information available today was another factor.

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## LESSON PLAN FOR GROUP WORK

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The work done by volunteers has long been an integral part of the social fabric of a community. In today's social environment, most families have two wage earners or are headed by a single wage earner. This phenomenon has reduced the number of persons who have time apart from work and family responsibilities to do volunteer work, and it is becoming more important for corporations to step up to the plate.

### Activity #1

Habitat for Humanity is an example of an organization that relies on the donations of materials and labour by various business organizations. Have your students contact one of the organizations in your community that draws upon volunteers to accomplish their goals. Find out which businesses encourage their employees to do volunteer work with this organization. Are the corporate volunteers paid for their efforts—perhaps through designated “volunteer days or hours”? What do the companies receive for their efforts to be good community citizens? How does the ability to perform volunteer work on company time affect employee perception of the company?

### Activity #2

Environmental issues are also a corporate social responsibility. Divide the class into groups of 3 or 4 students. Assign each group to act as the marketing team for a local business and create an environmental assessment for the business. Each group should create a list of issues addressing each of the factors discussed in the chapter (sociocultural, demographic, economic, technological, political/legal, competition). For each item on the list, teams should identify how their business will face the challenges posed by each factor of its environment. What if any adjustments to the marketing mix will need to be made?

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## REVIEW AND ASSIGNMENTS FOR CHAPTER 2

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### *REVIEW/DISCUSSION QUESTIONS*

1. **Describe at least three situations in which you would not purchase the products of a firm, even though it is very socially responsible.**

Students' answers will vary on this question. Students may not purchase from a socially responsible organization because: 1) the product or service doesn't interest them (they are not the target market); 2) they are philosophically opposed to the causes that the organization supports; 3) they had a bad experience with the organization; or 4) prices may be too high. It should be highlighted during the discussion that though the CSR is very important in consumer decision making it is not the sole criterion that determines what customers buy. In general, the consumer tendency is to agree with the philosophy of the CSR, but consumers are hesitant to act on it or to pay a higher price for a product.

2. **Is sustainability a viable concept for Canadian business?**

Sustainability is more feasible for certain industries than others. The concept of conducting business forever without depleting resources can work for companies whose products are based on materials that can be replenished (in other words, from plant life). Other companies that rely on mined products (such as metals, or even salts) will find the concept of sustainability difficult to implement. For example, at present, it is difficult to envision a mode of transportation completely constructed out of materials made from plant life. Both basic and applied research will need to advance to great degree to make a complete transition to sustainability a probability. Sustainability in some ways is more important for Canadian businesses as Canada is predominantly a resource-based economy and exports of mineral material raise valid concerns about sustainability. Also, Canada relies on import of many finished goods from other countries where transportation plays a major role. Similarly, given the large geographical area over which the country is spread, this raises concerns for the production and consumption of local products to highlight the sustainability concerns.

3. **What is the purpose of environmental scanning? Give an example.**

Although students' answers will vary, they should address some of these points: Environmental scanning—the collection and interpretation of information about forces, events, and relationships that may affect the future of an organization—allows a company to constantly look for threats and opportunities before they are fully apparent. For example, an architectural firm in Halifax may note that there has been an increase in local births in the last year. It may want to move into designing daycare centres and schools.

4. **Baby boomers in Canada are aging. Describe how this might affect the marketing mix for the following:**

- **Bell cell phones:** Though the technology literacy among senior citizens (65 at the present time) is much higher compared to the 65-year-olds of a decade ago, the ever-changing trends in technology are not likely to be closely followed by the seniors. This means that the promotional strategies used for seniors must include tools that seniors are most comfortable using.
- **McDonald's:** Down, as they eat more healthy foods and do not have small children in the household.
- **Whirlpool Corporation:** Lower demand, few families in the part of the family life cycle that buys appliances.
- **Zellers stores:** Their target market is an aging population that usually spends less on clothing and accessories.

5. **How should Ford Motor Company market differently to Generation Y, Generation X, and baby boomers?**

Generation Y: Gen Yers have grown up in a media-saturated, brand-conscious world and love customized products. So Ford should develop a car that is just for this generation alone—for example, Ford Fusion—and provide customized features that reflect the personality of the individual. This could include customized colours, stereos, seating, storage space, and the integration of mobile technology with the car. Ford should market the car not only on television (during shows that Gen Yers like to watch) but also on the Internet, as Gen Yers are techno-savvy. The company could also allow Gen Yers to design their “ideal car” online and to order it.

Generation X: Gen Xers are savvy but cynical consumers but don't mind indulging themselves with services, such as dining and travel. They are in their late 20s and early 30s, and they are starting families and building their careers. Family-oriented Xers need vehicles that meet their family life cycle needs but continue to provide a “hip” image. (Minivans would probably not be popular with this group!) Since this is the first generation to grow up in the technological age, Ford should use technology in their products to entice this generation and in other aspects of marketing to reach this market. This group is also likely to be very keen on purchasing electric/hybrid vehicles that reflect the group's social sensitivities and their desire to make a visible difference to protect the environment.

Baby boomers: Baby boomers are aging but see themselves as active. Since most baby boomers are parents and/or have careers, they have very little time and require convenience. Most baby boomers are married and have older children; the older ones may have children who have already left the home. Ford should offer a product line to younger baby boomers that allows them to move “a lot of people,” such as minivans or crossovers. Technology should be used, but only to provide convenience that saves time for this time-deficient population. Products should be flexible and serve multiple purposes, from a vehicle that can be driven to work to one that can be changed around to haul equipment (think: soccer moms). Older baby boomers will want smaller vehicles with more “glitz and glamour” that show off the financial success of early retirees.

6. **Explain how consumers' buying habits may change during a recessionary period.**

An economic recession is a phase when income, production, and employment fall, and together reduce the demand for goods and services. During a typical recession, consumer confidence decreases; if consumers haven't actually lost their jobs, they may feel insecure about keeping their jobs in the future, and spending will decrease as they “weather the economic storm.” Consumers will continue to spend on lower-priced products (stores such as Walmart typically do well during recessions) or on products that have good quality for the price (good value). Studies have shown, however, that consumers continue to purchase “affordable luxuries.” Even if they can't afford that Mercedes, they will treat themselves to Godiva chocolate.



7. **Give three examples of how technology has benefited marketers. Also, give several examples of how firms have been hurt because they did not keep up with technological change.**

Students' answers will vary widely. For example, they may mention that the new technology in fake fats in foods has created a dramatic new market in foods. Another example would be the technology of shelf stable packaging. Examples of firms hurt by technology would be, for example, Blockbuster, which failed to see how the entertainment industry was being reshaped by the Internet. Similar examples include publishing (eBooks) and banking (online banking).

8. **Federal regulatory agencies have been both praised and criticized on their regulation of marketing activities. To what degree do you think the government should regulate marketing? Explain your position?**

Governmental regulation that directly impacts marketing includes: 1) pricing regulation; 2) advertising regulation; 3) anti-trust; and 4) intellectual property such as copyrights, trademarks, and patents. Students' arguments for or against government regulation of marketing activities should address all those areas and provide recent examples to back up their opinions. Good examples would include the advertising regulation of the tobacco or liquor industry, the pricing regulations as managed by the Competition Act etc.

9. **How do these regulations affect the conduct of business in Canada?**

These regulations are administered with the intent of ensuring that Canadian businesses and consumer prosper in a competitive and innovative marketplace. The regulations discourage deceptive business practices and attempt to ensure that the consumer has accurate and enough information to make informed choices.

10. **Explain how technology is changing the nature of competition in North America.**

Technology is shaping the competitive landscape in North America (and in the world for that matter) radically where new markets are developing; new industries are replacing old ones (iTunes in the music industry; Netflix vs. Blockbuster); and the flow of information among consumers is faster and wider. Consumers are tech-savvy and know how to use it to their advantage to find the best products at the lowest possible prices (Priceline.com; Hotwire.Com; eBay.ca; Kijiji.ca). Technology also allows customization of the products and services (downloadable digital content); and this has made it necessary for the companies to continuously introduce new products. Overall, technology has increased the role consumers play in providing immediate and significant feedback to each other and to the companies.

11. **Might there be times when a company becomes too competitive? If so, what could be the consequences?**

Companies can certainly become too competitive. When this happens, they may be engaging in illegal activity or, at the very least, unethical behaviour. Examples include tobacco companies that target under-age markets, which is completely illegal in Canada, or an advertiser making false (or grossly exaggerated) claims about its product's benefits. Examples of unethical behaviour include "not nice" activities, such as a deep discount store pushing out mom-and-pop shops in small towns, or predatory pricing that puts your competition out of business. The consequences of such behaviour could include anything from legal action to social ostracism for unsportsmanlike conduct.

12. **How does a significantly slow job recovery for immigrants affect the economy?**

In the same way that a slow job recovery affects employment opportunities for new graduates a slow job recovery for immigrants places demand on the countries social services which is a financial burden on the economy.

13. **What can the NHL do to make hockey more popular among "new" Canadians?**

Encourage the young "new" Canadian to play the sport in school introducing them to the game early in life which will then introduce the parent. Special event games targeting the "new" Canadian would be another idea.

## APPLICATION QUESTIONS

1. **Multiculturalism has been accepted and practiced widely by Canadian companies. However, given the diversity of different ethnic groups in Canada, a deeper understanding of micro-markets is required. Discuss.**

Student answers will vary but the point is that within different ethnic groups there are various segments requiring segmentation to occur using ethnicity but only as a starting point. Regent Park in Toronto – a geographic segment for example has over 80 languages spoken in the area. Obviously a deeper understanding of micro markets is required here to fully understand the consumer groups and to effectively reach them.

2. **Assign students to work in teams to create a two-page document as to how their university has responded to the changing demographics of its student population. Specifically, the students should address the issues related to international students enrolling in your institution.**

Student answers will vary.

3. **“A firm’s only responsibility to society is to earn a fair profit.” Comment.**

This represents the “classical” view of social responsibility, which believes that the only stakeholders who are important to business are the owners or stockholders. Students’ answers will vary on this, but those who focus on long-term survival will probably disagree with this view and highlight a firm’s responsibility to non-consumers and to other groups who are directly or indirectly affected by what a business does.

4. **Write a paragraph discussing the ethical dilemma in the following situation and identifying possible solutions: An insurance agent forgets to get the required signature from one of her clients who is buying an automobile insurance policy. The client acknowledges the purchase by giving the agent a signed personal cheque for the full amount. To avoid embarrassment and inconvenience, the agent forges the client's signature on the insurance application and sends it to the insurance company for processing.**

Students may not see too much harm in forgery when the client would have signed the application anyway. But suppose that some years later the client is involved in a million-dollar lawsuit and the forged signature comes to light. The agent may no longer be around to explain to the court what happened. The agent’s act was expeditious but not ethical.

5. **Discuss the relationship between ethics and social responsibility.**

Ethics and social responsibility go hand in hand. Ethics refers to the moral principles that underpin the conduct of a society or group. In the context of this question, ethics are the moral principles that undergird a company’s social responsibility philosophy. Thought of another way, socially responsible practices are a manifestation of the corporate ethic.

6. **Do you think that a code of ethics will actually influence an employees’ behaviour? Why or why not?**

Student answers will vary. [*This is a good discussion question for group work or in-class debate.*]

7. **Form six teams. Each team is responsible for one of the uncontrollable elements in the marketing environment. Your boss, the company president, has asked each team to provide a one-year and a five-year forecast of what major trends the firm will face. The firm is in the telecommunications equipment industry. It has no plans to become a telecommunications service provider, for example, like Bell and Eastlink. Each team should use the library, the Internet, and other data sources to make its forecasts. Each team should examine a minimum of one data source. The team should then pool its data and prepare its recommendation. A spokesperson for each team should present the findings to class.**

The results will vary by team.

8. **Every country has a set of core values and beliefs. These values may vary somewhat from region to region of the nation. Identify five core values for your area of the country. Clip magazine advertisements that reflect these values and bring them to class.**

This will vary depending on the part of the country. For example, students from an area with a large national park or wilderness areas may mention environmental issues.

9. **Give an example of component lifestyles based on someone you know.**

Student answers will vary.

10. **You have been asked to address a local Chamber of Commerce on the subject of “Generation Y.” Prepare an outline for your talk.**

The outline should include the following elements: Generation Y consumers are skeptical, having been bombarded with marketing messages since a young age; they are also less brand loyal; and they are more accepting of generic labels. This notoriously fickle consumer group is brand and fashion conscious, but marketers have to get the merchandise in front of them without being “in their face.” Otherwise, Gen Yers will tend to reject the product, unwilling to have a product “foisted” upon them.

11. **Go to the library and look up a minority market such as the East Asian market. Write a memo to your boss that details the many submarkets within this segment.**

Student answers will vary. Students should be invited to look at websites, as well as at traditional books or periodicals. The submarkets within these cultural groups will probably include the following: 1) age submarkets (e.g., the “Gen Yers” of the Asian markets); 2) regional submarkets (e.g., the China-based Asian population in Toronto versus the India-based South Asian population in Vancouver); 3) lingual submarkets (e.g., those that are primarily French-speaking, those that are primarily English-speaking, and those that are completely bilingual); and 4) family life cycle (e.g., Asians that are married with children versus Asians that are single with professional careers). The point is that these minority markets are as diverse and segmented in their needs as the mainstream mass market in Canada.

12. **Using the library and the Internet, find examples of large companies directing marketing mixes to each major ethnic group.**

Student answers will vary; this is a good exercise to develop research and marketing skills for the students.

13. **Periods of inflation require firms to alter their marketing mix. Suppose a recent economic forecast expects inflation to be almost 10 percent during the next eighteen months. Your company manufactures hand tools for the home gardener. Write a memo to the company president explaining how the firm may have to alter their marketing mix.**

Inflation is a general rise in prices resulting in decreased purchasing power. Inflation generally causes consumers to do two things: decrease their brand loyalty as they search for the lowest prices, and take advantage of coupons and sales to stock up on items. Your firm may need to cut costs as much as possible, to avoid raising prices as much as the competition. You may want to plan a rebate program to promote the tools.

### **APPLICATION EXERCISE**

Demographic factors play a large role in shaping the external marketing environment. One of those demographic factors is culture. The importance of cultural understanding cannot be overstated, especially in today’s global marketplace and our own multicultural country. In general, Canadians tend to be ethnocentric; that is, they are quick to prejudge other cultural norms as wrong (or of less significance) because they differ from Canadian practices. One way to be exposed to another culture is by examining the foods typical of that culture. In this exercise, you will need to work in a team to create a guide to ethnic dining in your city or area. The finished guide will be descriptive in nature; it is not meant to be a rating guide.

#### **Activities**

1. Identify ethnic dining categories for inclusion in your guide. Once you have identified categories for your area, make a list of restaurants for each category.
2. You will need to create a data collection form so that the same information is collected from each restaurant. For example, you will want to include the name, address, and phone number for each restaurant. Think of other information that would be helpful.
3. Divide up the restaurant list your team generated in activity 1 so that each team member is responsible for collecting

information from a certain number of restaurants. Consider dividing the list geographically so that each team member can visit an assortment of ethnic restaurants. If your budget allows, eat at a few of the restaurants in addition to collecting the information. After you have all the information, meet to review and compare your findings.

4. Was there a meal or type of food that you particularly liked? Disliked? Which type of ethnic restaurant seemed most foreign to you? Why do **you think that was?**

**Purpose:** The purpose of this exercise is to allow those students who have had only minimal exposure to cultural differences an opportunity to experience those differences through the common element of food. Students will create a basic ethnic dining guide for restaurants in their area. The guide is *not* meant to be a rating guide. It is simply meant to be an informative guide.

**Setting It Up:** If your college or university is in a larger metropolitan area, you will probably have a greater variety of ethnic restaurants nearby. If, however, you are in a more remote location, you can adapt the exercise for the Internet. Simply have students search for a variety of ethnic restaurants in a larger city, like New York, Atlanta, Chicago, or Los Angeles. Push students to look for restaurants outside the most common (Italian, Chinese).

This application exercise is based on the following Great Idea in Teaching Marketing:

## THE GUIDE TO ETHNIC DINING

### *Introduction*

The importance of cultural understanding cannot be overstated, especially in today's global marketplace. Americans tend to be rather ethnocentric; that is, quick to pre-judge other cultural norms as wrong (or of lesser significance) simply because they differ from American practices. Universities have a responsibility to develop the student's appreciation of other cultures and their understanding of coupled global markets.

### *Purpose of the Project*

The purpose of this project is to expose students to other cultures by examining the foods typical of that culture. Students identify and profile ethnic dining establishments in their local service area. Further, descriptions of each ethnic dining category are written to develop the student's appreciation of the differences in diets and dining habits among cultures.

The purpose is consistent with current university efforts to "internationalize" programs, personnel, and curriculum. The finished product (**THE GUIDE TO ETHNIC DINING IN (your service area)**) is distributed across the region to your community partners, such as The Chamber of Commerce, Office of Travel and Tourism, Visitor's Bureau, Hospitality marketers, and your University Office for International Studies. This allows the institution to fulfill its service mission. It must be noted that the finished guide is meant to be descriptive and not a rating service for possible patrons. The development of a rating service may create adversarial relationships with some restaurateurs in your community, not an enviable position for the university.

### *Student Application*

This project can be administered in a Principles of Marketing, International Marketing, Consumer Behaviour, or Marketing Research course. This class provides professional services to area Chambers of Commerce, Travel and Tourism personnel, hospitality marketers, and university personnel.

### *Proposed Process for Successful Completion of Project*

The following is an action plan to guide the preparation of "The Guide to Ethnic Dining" in your market:

- Identify ethnic dining categories for analysis.
- Profile ethnic dining habits within each category.
- Identify ethnic restaurants in service area.

- Develop data collection form.
- Divide restaurant list among students.
- Collect information from restaurants.
- Compile collected information.
- Report findings to community partners.
- Enjoy personal use of the guide!
- Take pride in the public distribution and use of your work!

#### *Information Collected*

As noted earlier, the guide is meant to be descriptive and not comparative. The following information is suggested for inclusion in your guide:

- Name of establishment
- Translation of name (if applicable)
- Location and directions
- Days/Hours of operation
- Self-reported specialties
- Price range
- Availability of ethnic entertainment
- Availability of children's menu
- Credit cards accepted
- Availability of alcoholic beverages
- An invitation from the owner or manager, possibly in native language

#### *Division of Labor*

After you categorize the types of ethnic dining available (i.e., Mexican, Italian, Greek) in your service area, develop a list of applicable restaurants. (You can use the ethnic dining categories to construct specialized teams to conduct the project.) Each student is then assigned responsibility to contact particular restaurants to secure the desired information. This process allows you to avoid duplication of effort. Students submit the collected information using a common word processing software package supported by the institution. The student's collective works are then compiled for printing and electronic distribution.

### ***ETHICS EXERCISE***

Jane Barksdale has designed a line of clothing targeted toward Asian Canadians. The items are sold only by catalogue and on the Internet. She thinks she can increase sales by claiming in ads that the firm is owned by an Asian Canadian and that all the employees are Asian Canadians. She is not Asian Canadian nor are most of the employees. She needs a high level of sales to pay her bank loan and remain in business.

## Questions

1. **Should she claim that she is Asian Canadians?**

Despite the fact that Jane needs a high level of sales to remain in business, Jane should not make false claims about her and her workers' ethnicity in order to sell clothes in the Asian Canadian market.

2. **Does the CMA Code of Ethics address this issue? Go to [www.the-cma.org](http://www.the-cma.org) and review the code. Then, write a brief paragraph on what the CMA Code of Ethics contains that relates to Jane Barksdale's dilemma.**

The CMA Code of Ethics addresses this issue in its section on promotions. It states that marketers should avoid false and misleading advertising. Claiming that she and her workforce are Chinese Canadian could be considered false advertising. But most important, Jane would be violating the first item in the code, under honesty and fairness: "Marketers shall uphold and advance the integrity, honour, and dignity of the marketing profession by 1) being honest in serving customers, clients, employees, suppliers, distributors, and the public."

### *COMPANY CLIP VIDEO ASSIGNMENT: Method—People Against Dirty*

Method's first "lab" was the kitchen of founders Eric Ryan and Adam Lowry, two friends whose goal was to evolve the household cleaner from a toxic object that hid under the sink to an all-natural, biodegradable, and stylish counter-top accessory. This video segment shows Method through yet another lens, that of corporate social responsibility (CSR) and sustainability. Chemical engineer Adam Lowry outlines the chemical aspects of traditional cleaning products and describes how Method's products are healthier. As you watch the video, keep in mind the various marketing orientations you learned in Chapter 1.

## Questions

1. **Does Method's environmental scan seem to be lacking anything? LO1**

No, they seemed to cover all uncontrollable in their scan—with special emphasis on competition and social cultural factors

2. **Discuss the changing social factors that have made it possible for Method to be so successful. LO2**

Changing families of today—changing roles within the family—moms working—no time—environmental concerns all factors that led to the development of a product that looks good, is environmentally safe, hence can be left out to be used conveniently all the time by anyone in the house. Growing social awareness of environmentally sound solutions for mainstream consumers. Environmentally friendly living has become widespread and accepted in society.

3. **Adam, one of Method's founders, references competition in the video as he discusses Method's product efficacy and product promises. Discuss the role that a competitive analysis in the environmental scan did for Adam as he worked on creating the variety of products within the Method brand line-up. LO8**

The competitive analysis led Adam to recognize a key "weakness" with other cleaning products on the market—that is, they all looked like cleaning products, they all stood for a singular cleaning function—no overall brand, they lacked conversation appeal, they were not environmentally sound solutions.

4. **By considering the pyramid of corporate social responsibility, discuss Method's performance at each level. LO9**

Level 1—economic performance—Method was profitable.

Level 2—legal responsibility—Method was manufactured and marketed within the law.

Level 3—ethical responsibility—This seemed almost to be the foundation of Adam's work, in that he was a good corporate citizen. It set his company apart.

5. **What is sustainable corporate social responsibility and how is this demonstrated by Method? LO9**

Sustainable corporate social responsibility entails focusing on world social problems and considering them as opportunities for building profit but also to help the world at the same time.

6. **Adam discusses in the video his decision to leave his previous job and join Eric in developing Method. Has this level of ethical behaviour that governed him when he was employed with the Carnegie Institute, and that led to him to leave the Carnegie Institute, been demonstrated in his work with Method? Explain fully your answer by discussing what ethics and morals are. LO 10**

Yes - Student answers will vary.

(These video questions are assignable in *CourseMate* where students can email their answers to the instructor.)

## **CASE ASSIGNMENT: Movember**

### **Changing the Face of Men's Health – Movember**

Throughout the month of November, in communities all across Canada, the faces of men change.

On November 1, clean-shaven men of all ages, shapes, and types, known as Mo Bros, register on [movember.com](http://movember.com) and commit to grow, groom, trim, and wax their way to a face that sports a moustache. Their efforts are aimed at raising awareness for prostate cancer and depression. Supported by the women in their lives, Mo Sistas, Movember Mo Bros raise funds by seeking out sponsorship for their Mo-growing efforts. Mo Bros effectively become walking, talking billboards for the 30 days of November, and through their actions and words raise awareness by prompting private and public conversations around the often ignored issue of men's health. At the end of the month, Mo Bros and Mo Sistas celebrate by attending their own parties or attending one of the infamous Gala Parties held around the world by the Movember foundation as a thank you to the Movember community.

Movember began in 2003 in Melbourne, Australia. Today it is truly a global movement with official campaigns in Australia, New Zealand, the United States, Canada, the UK, Finland, the Netherlands, Spain, South Africa, Ireland, and the Czech Republic. In seven short years it has raised over \$178 million for men's health issues.

Movember came to Canada in 2007 and has been growing ever since. In 2010, Movember Canada opened the Toronto Stock Exchange; 1,239 Mo Parties were held across Canada at universities, pubs, offices, and police stations, and on military bases; Members of Parliament flooded the House of Parliament with moustaches as ministers grew Mos; even fitness and health legend Hal Johnson grew back his iconic moustache.

With Justin Trudeau and several NHL players on board as Mo Bros, by mid-November 2011 Canada led all participating countries with over 230,000 registrants and \$17,750,123 raised. Many of the registrants were members of teams created within large organizations. For example, Powerbev Inc. had 53 members on its team, all raising money for the cause under the Powerbev Inc. name. Powerbev Inc was included on the Movember website as part of the *Network Leaderboard*.

Companies such as Mercedes-Benz, Schick Hydro Razor, and Harley Davidson Canada were supporters of the 2011 campaign. Schick created the Licence to Grow campaign on Facebook. By "liking" Schick on Facebook you could receive a "Licence to Grow" and follow the Schick Hydro Canada Campus Tour. Schick took to the road visiting various colleges and universities with the Schick Hydro Barber Shop, handing out free samples of the razor. Harley Davidson Canada offered a Movember-themed T-shirt, and \$5 from every T-shirt sold was donated to Movember. In addition, as a Movember fundraiser Harley Davidson Canada offered a ballot for a chance to win a 2012 Night Rod Special Motorcycle for every \$100 a Movember registrant raised. Official merchandise was created, including a limited edition Snoop-Dogg T-shirt, specially created by Lancaster Ltd. for both Mo Bros and Mo Sistas. Lancaster Ltd. also created four unique T-shirt designs for Movember, with 20 percent of the gross proceeds going directly to supporting the Movember campaign. Giordana Cycling Apparel created a line of clothing for sale supporting the Movember campaign, with a portion of the proceeds from every purchase going to the Movember Foundation. Speed Stick donated \$1 to Movember for every view of their website's video. Toms Shoes created a limited edition women's and men's shoe, with the proceeds going to the Movember Foundation.

The Movember website is highly engaging, offering photos of Mo Bros, links to supporting companies, and health information. The Movember Canada Facebook page had over 26,000 likes, and YouTube had countless number of videos of Mo Bros chronicling their moustache growth.

Has this annual program put too light a spin on two very serious men's health issues?

The Stats About Prostate Cancer:

- Prostate cancer is the most common cancer in men. It accounts for over one-quarter (27 percent) of new cancer cases in men.
- 1 in 7 Canadian men will be diagnosed with prostate cancer, and the threat is greater for those with a family history of the disease.
- Prostate cancer is over 90 percent curable if detected and treated in its earliest stages.
- Incidence and mortality rates for prostate cancer in men are similar to those of breast cancer in women.
- 25,500 Canadian men will be diagnosed this year alone.
- It is a far greater threat for those with a family history of prostate cancer.
- Prostate cancer develops as a result of dietary, environmental, and heredity factors. However, more research is needed to identify its specific causes and to prevent the disease.

Men growing moustaches in November are providing a physical cue that may start a conversation. But is the conversation around the disease or is it around the Movember campaign, their team goals, and their end-of-Movember party? Research indicates that in Canada last year, 80 percent of Movember registrants discussed men's health issues with family, friends, or colleagues during November and 90 percent spent time thinking about improving their general health. Regardless of what precipitated the conversation, men's health is being discussed.

Movember has strong corporate partners that are assisting in raising awareness and funds. Are the companies supporting Movember *using* the campaign to raise their own profile among a target group that is generally very hard to reach through traditional marketing communications? Consumers are increasingly interested in purchasing products by companies that are associated with causes, may pay a premium for a product associated with a cause they care about, and may even think more highly of a company when it supports a cause they care about. This has led to an increase in the cause-related marketing programs evident in the marketplace today. But is Movember—the month and the campaign—a distraction?

## Questions

1. **Do you think a partnership with Movember can improve a company's image? Is it a sign that they are making a commitment to corporate social responsibility or is it simply a tactic to raise their profile among men who feel part of a "brotherhood" during the month of November?**

Student answers will vary but...

Yes, there is a strong likelihood that a company's image can be improved with an association with Movember provided that the organization targets the consumer to whom prostate cancer is a concern, and provided that the association creates a real benefit financially to prostate cancer research.

Not sure if it is a sign that they are making a commitment to corporate social responsibility but certainly a start at them demonstrating that they are interested in finding ways to attack society's ills. It is probably also a tactic to ride on the coattails of a successful social marketing program to raise their profile.

2. **Why would companies get involved with Movember and how can they use such involvement to positively impact all their stakeholders—customers, employees, suppliers, and investors?**

The target group that Movember is designed to appeal to is a hard target to reach. To be a part of an international program that engages men allows them to leverage the already established awareness of Movember and what it stands for. Like Schick did in the case, the association with Movember, if used strategically, can achieve great awareness and engagement with the company's target market. This engagement could lead to a positive impact on sales, which ultimately improves relationships with all stakeholders.



3. **The moustache, which is the symbol of Movember, is found on many participating companies' websites and is the visual element on all Movember merchandise. The moustache could become as well known as the pink ribbon. Do you foresee any problem with this?**

Yes, the moustache could become ubiquitous and then lose the real meaning behind the symbol. It becomes more about the moustache than it does the campaign to raise money for prostate cancer research. Like the pink ribbon, the moustache could become a symbol that is exploited—companies use the moustache to demonstrate a commitment to prostate cancer research, but in fact donate little to the cause. See <http://www.torontosun.com/2012/02/02/pink-ribbons-exposes-hypocrisy> for information on the exploitation of the pink ribbon.

### *Alternate Case Assignment: Rockstar Games*

#### **Rockstar - Caught in Its Own Vice**

In Oakland, California, police arrest a gang of teens who now face charges for five homicides, several carjackings, and a slew of armed robberies. Roughly 2,000 miles away in Tennessee, stepbrothers Joshua and William Buckner, ages 14 and 16, are arrested and plead guilty to reckless homicide, aggravated assault, and reckless endangerment for fatally shooting one motorist and critically wounding a second.

The tie that binds these seemingly unrelated crimes is a video game—Rockstar Games' Grand Theft Auto: Vice City. When questioned about their crimes, both sets of perpetrators cited boredom and a desire to emulate the action of the main character in Vice City as the cause of their violent behaviour. In Vice City, players assume the role of Tommy Vercetti, an ex-con who loses cocaine and money in a botched drug deal. To recoup his losses, he must accomplish various missions in an attempt to ascend the hierarchy of Vice City's underworld. The game awards points to players for mass shootings, graphic rapes, liaisons with prostitutes, car thefts, and drug sales. The violence is extreme and often grotesque. In one mission, players controlling Vercetti can earn points for raping a woman in the back of a stolen car and then deciding whether to kick her to death, cut her to pieces with a machete, or fatally shoot her.

Its graphic violence and sexually explicit material have earned Vice City an M rating from the Entertainment Software Rating Board, which indicates to consumers that the game is intended only for gamers aged 17 or older. Younger gamers, however, are playing the game in large numbers, and critics, parents, and politicians are horrified to find that children are being exposed to a game that glorifies such behaviour. Racism rears its head in the game too, as Vercetti at one point is instructed by a narrator to "shoot the Haitians."

The backlash against Rockstar Games has been significant. Haitian and Cuban groups have filed suit against the company in Florida, where state legislators have proposed a bill that would increase the fines levied against retailers who rent or sell M-rated video games to minors. The lawmakers note that several small towns and cities have already passed such legislation.

In New York, Rockstar's racial insensitivity aroused the ire of state Attorney General Eliot Spitzer, New York City Mayor Michael Bloomberg, and the Anti-Defamation League. Their pressure persuaded Rockstar to remove the racially offensive line from all future copies of the game. Other than that, Rockstar has officially declined to comment any on any other inquiries for almost a year. The Interactive Entertainment Merchants Association, an industry group including giant retailers such as Walmart, has reacted by adopting procedures intended to stop the sale of mature and adult video games to minors.

Despite the negative reactions, the game has gained mass-market acceptance. Vice City alone accounted for nearly half of Rockstar's revenue in 2009—a year when revenue for all M-rated video games actually declined from \$910 million to \$833 million. Rockstar currently dominates the adult segment of the market. Players of the game say its plot lines are pure fantasy, and the chief operating officer of Rockstar Games, Terry Donovan, defends his company by claiming that if the popular HBO television series *The Sopranos* was a video game, it would be Grand Theft Auto.

His customers, he asserts, are young male professionals who are willing to spend serious money on intense simulation-type games that provide primal stress release. Donovan and many others believe that the M rating is enough to alert parents to the games' adult content and that legislation from the government infringes on freedom of speech. At the moment, the popular counterargument is that like drugs, alcohol, and pornography, the games represent a threat to the psychological development of young people and should be controlled as such.

*Sources:* <http://www.rockstargames.com>; <http://www.take2games.com>; Logan Hill, "Why Rockstar Games Rock," *Wired.com*, July 2002; Michael Serazio, "Vice City Confidential: The 'Atari' Generation Grows Up," *Columbia.edu*, March 7, 2003; "The Games Kids Play: Are Mature Video Games Too Violent for Teens?" *Current Events*, February 7, 2003; "Deadly Inspiration? Teens Say Video Game Inspired Them in Deadly Highway Shooting," *ABCnews.com*, September 5, 2003; "Florida Officials Take Aim at Violent Games," *Reuters*, February 6, 2004; Andrew Bushell, "Popular Video Game Instructs Players to 'Shoot the Haitians'—New York AG Takes on Grand Theft Auto," *VillageVoice.com*, January 30, 2004; Christopher Byron, "Give Back Take-Two," *New York Post*, December 29, 2003.

## Questions

### 1. Describe the technological, social, and political factors acting on the videogame industry.

- Technology has advanced to the point where sophisticated videogames are challenging and surpassing movies as a form of entertainment. In fact, the revenues of the videogame industry now exceed Hollywood's box-office sales, and the trend seems likely to continue. The lines between cinema and the gaming experience are becoming blurred, and the gaming industry is winning out because players are now in control of the content.
- Kids who grew up with video games in the 1980s are now young professional adults, and they are choosing to spend their discretionary income on expensive video games and simulations rather than on Hollywood movies. Game players see the maturely themed games as pure fantasy that they can indulge in while still knowing right from wrong. Critics feel that the extreme violence and sexually explicit material serve no redeeming value and pose a serious threat to young people.
- Many people believe that government should regulate the sales of mature video games, that the games' content is offensive and detrimental to society, and that game producers, like Rockstar, should be held liable for any negative impact resulting from their use. Rockstar and its industry supporters feel that the ratings are an adequate control system that should ultimately be enforced by parents. They believe that the subject matter of the games is protected under the constitutional right to freedom of speech. Although no formal industry regulation exists, politicians are watching the industry closely as a result of incidents like those in California and Tennessee and the racial slur in *Vice City*. With new modes of communication such as the Internet, public opinion can gather strength quickly and have an impact, as it did when Rockstar Games removed the "kill the Haitians" line from *Vice City* in response to complaints.

### 2. How is Rockstar responding to its environmental conditions? Do you agree with Rockstar's approach? Why or why not?

Other than agreeing to remove the racist comments from its *Vice City* game, Rockstar has responded passively or not at all to the concerns raised by citizen groups. Obviously, the company feels that the benefits of operating in its market segment outweigh the cost of the negative publicity and potential litigation. Rockstar has identified M-rated video games as a significant opportunity within the overall video game market and has devoted considerable resources—half of its total product line—to giving the market what it wants. Rockstar clearly follows a market-oriented approach by letting free consumers dictate what it should produce and sell.

### 3. Do you think Rockstar Games' chief operating officer, Terry Donovan, displays adequate concern for corporate social responsibility? Explain.

Students' answers will vary, but should include reference to all four levels—economic, legal, ethical, and philanthropic—of the pyramid of corporate social responsibility.

## Additional Examples

Hockey is as deeply rooted in Canada's culture as snow is in its climate. With more and more immigrants from different parts of the world making Canada their home, the sport of hockey is facing some challenges to remaining as Canada's game—and, of course, staying profitable for the teams. Hockey has always been associated with white Canadians, but more and more “new” Canadians are also embracing the sport. The National Hockey League was pleasantly surprised to learn that South Asians “love” hockey, and as a result the game is using new marketing tactics to cater to them. One of these tactics is broadcasting NHL games in Punjabi. The increasing interest in the game among immigrants has also resulted in the NHL opening new rinks in immigrant-dominated localities. One result is that some of the NHL's stars now come from “new” Canadian families. The Toronto Maple Leafs' Nazem Kadri is one example, but does this mean that the Lebanese community will flock to watch hockey? Sports marketing experts suggest that even though hockey is much more popular and acceptable among “new” Canadians now than it was twenty years ago, it will take a lot more effort and marketing planning to create additional interest in hockey among new immigrants.

Sources: <http://www.theglobeandmail.com/life/scoring-points-with-newer-canadians/article312322>;  
<http://www.thestar.com/sports/hockey/article/657870>.

Supplier ethics is a growing problem for consumers and companies alike. There has been a rash of stories about tainted food, hazardous toy components (including paint), and other unsafe products. A recent survey revealed that 78 percent of companies do not include their suppliers in their company compliance programs and controls; also, 58 percent of companies weren't sure if their company assessed ethics risks in their supply chain. They should. Consumers hold the supplier accountable, not the outsourced vendor.

Source: Erin Boyle, “New Integrity Interactive Survey Shows Lack of Ethics in Supply Chain a Major Problem of Businesses,” PR Newswire, November 7, 2007.

*(Instructors are free to create their own questions for these additional examples.)*

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## GREAT IDEAS FOR TEACHING CHAPTER 2

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### GREAT IDEA #1

#### DISCUSSION BOARD TOPICS TO ENCOURAGE PARTICIPATION

Discussion board questions provided to students to encourage them to engage in thinking and writing about the content of the Principles of Marketing course usually take the form of a provocative statement to which students are asked to respond. An example of this would be: All PR is good PR.

Discussion topics such as this one are abstract and often require that the instructor provide an initial reply to show students what is expected of them in their own replies. For students with limited work experience, this approach may be quite appropriate. For adult students with extensive experience as employees and consumers, however, the abstract nature of such topics can be frustrating.

I have developed, therefore, a series of discussion board questions to use with experienced, adult students. These questions are designed to encourage them to use their experiences as employees and consumers as doorways to better understand the course material, and to make their own responses more interesting to themselves and to the other students in the class who will read and comment on them.

Each question has three parts:

1. First, there is a sentence or two from the students' textbook introducing the topic. By using the text author's own words, students are enabled to locate relevant material in the text more easily, the text content is reinforced, and confusion resulting from use of variant terms or expressions is minimized.

2. Second, there is a reference to text pages the student should review before proceeding. Since the goal of the exercise is for students to apply the course content to their own experiences, reviewing the content first is important.
3. Third, there is a request for the student to think about or remember some specific situation in their experience to which they can apply the text material, and a question or questions for them to address in their reply.

Here are additional such discussion board questions developed for Chapter 3 of *MKTG*<sup>2</sup>. Each is written to fit the same text cited above but could easily be rewritten and revised to fit another text.

#### *Series A*

1. Dual-career families have a poverty of time, with few hours to do anything but work and commute to work, handle family situations, do housework, shop, sleep, and eat.
2. Review the marketing implications of this poverty of time associated with working women on page 34 of your text.
3. Then describe how your poverty of time has affected how you shop and what you buy.

#### *Series B*

1. The United States is becoming a multicultural society. It is shifting from a society dominated by whites and rooted in Western culture to a society characterized by three large racial and ethnic minorities: African-Americans, U.S. Hispanics, and Asian Americans.
  2. Review the material on pages 37– and 38 in your text.
  3. Then describe how this trend affects the ads you see and the products you buy.
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## **GREAT IDEA #2**

### EXPERIMENTAL COURSE IN MARKETING ETHICS

We are experimenting with a new approach for teaching marketing ethics in a way that will make it more interesting and challenging for our marketing majors. In our Marketing Topics course we are experimenting with an approach, which may be the forerunner to a “Marketing Ethics and Creative Thinking” course—if the experiment is successful. Towards the end, the experimental course focuses on two main topics: Marketing Ethics and Creative Problem Solving:

- **Marketing Ethics:** We begin by reviewing the traditional foundations of ethical reasoning followed by more intensive study of selected current theories and relevant readings in the areas of business ethics and marketing ethics. Against this background, we are using an experimental model for ethical decision making—a five-step case analysis approach for ethical analysis of marketing situations and decisions. During the semester we discuss cases and readings involving ethical problems in marketing. Finally, student teams examine an ethical problem situation of their choice, gather and analyze relevant information on the problem, lead a class discussion of their “case,” and prepare a written term paper on the results of the study.
  - **Creative Problem Solving:** This portion of the course utilizes a more free-wheeling approach for stimulating creative thinking. We begin by thinking about “thinking” and about the Creative Process. During the semester we try a variety of exercises and techniques designed to enhance the creative dimensions of our problem solving and decision making efforts.
  - **Merging the Topics:** The two topics, joined together in this seminar, provide interesting opportunities for future business practitioners to develop their ethical decision making skills and to apply creative thinking in the formulation of alternative courses of action in difficult ethical situations.
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### **GREAT IDEA #3**

#### **SEX ROLES AND PRODUCT CONSUMPTION**

This exercise is designed to help students think critically about how sex roles may affect consumer perception or even their actual consumption of certain consumer products or brands. Societies tend to assign a set of traits or characteristics to males (e.g., aggressiveness, toughness) and another set to females (e.g., tenderness, obedience). Such a division in sex roles can also affect consumers' perceptions and consumption of certain products or brands. Traditionally, some products or brands are perceived as masculine (e.g., pocket knife, Marlboro cigarettes), while others are perceived as feminine (e.g., hand lotion, Virginia Slim cigarettes). However, it is observed that the link between sex roles and consumer products has gradually been eliminated for many products, while for other products, the link still lingers.

This exercise requires each student to collect two print ads from magazines: one ad for a brand of consumer product that illustrates a diminishing link between sex roles and the product and another that demonstrates an enduring link. Students are asked to bring in the ads to class. The instructor can use these ads as examples to facilitate discussion and ask if any other students disagree that the product in the ad is (or is not) linked to sex roles.

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### **GREAT IDEA #4**

#### **A LESSON ON PACKAGING AND SOCIAL RESPONSIBILITY**

This exercise was developed in conjunction with a university-wide community food drive and to reinforce the lesson on packaging. To encourage participation, it was presented as an extra credit opportunity.

Have the students bring in three cans of the same type of food, (corn, peas, etc.), one manufacturer, one private label/house brand, and one generic. Each can is worth 5 points. Have the students write a paper (one to three pages), comparing and contrasting the packaging strategy of each can. The paper is worth 10 points. Encourage them to address such topics as:

- Size and pricing
- Use of colour
- What attracted them to each can
- What were the strong and weak points of each label
- Which package they think was the most efficient and effective and why

Due to the difficulty of finding generic merchandise in our market, the exercise was modified so that the students who were unable to find generic merchandise could do the exercise with two manufacturers and one house brand. Students who were able to find a can of generic food earned an additional 5 points.

Creative students were encouraged to make their own labels and discuss why their label was better than the rest. This was also worth an additional 5 points.

The exercise was fun for all. It made the students take what was learned in class and apply it. Most importantly, much food was donated to local food banks and the students received a lesson in social responsibility.

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## GREAT IDEA #5

### SCENARIOS IN SALES MANAGEMENT: ETHICAL ISSUES FOR CLASS DISCUSSION

**Scenario I.** As sales manager, you have noticed changes in salesman Mike lately. Mike used to be your “bright-eyed and bushy-tailed inside salesman,” but now he seems tired all the time. You even caught him asleep at his desk twice in the last week. You ask Mike if he is okay and he says wearily, “I’m adjusting to my wife leaving, but Jeremy is only twelve and he was very close to his mother.” Monday the circles under Mike’s eyes are even darker and he’s drinking lots of coffee. You ask about Jeremy. Mike says Jeremy’s teachers called on Saturday and all said he had failed tests in subjects in which he had been getting an A or a B. You ask if Jeremy has anyone else he is close to and Mike says, “Not since my mother died six months ago.” Meanwhile, Mike has not brought in any new accounts and five of his major accounts have called you complaining that he is not returning phone calls. You are sorry now that you ever held the division “Bring your spouse or significant other” cocktail party and even sorrier that you casually introduced your thrice-divorced brother to Mike’s wife. You never dreamt that they would run off together. You will never have another such party, but right now you are concerned about what to do about Mike.

**Scenario II.** You are very lucky to have two outstanding salespeople desiring the two straight commission sales positions in your new company. Both have impressive past sales records, want a new challenge, and have the confidence to desire straight commission pay. Their personal lives are quite different. Susan is from a wealthy family and married a very successful man. Susan volunteers that she is childless by choice and says she wants to show herself and the world that she can make it professionally, not just live off her father and husband’s money. David is also married. He and his homemaker wife have six children and the last four are adopted special-needs children. David was handling the medical expenses, saving for the children’s education, and remodelling an older but larger home for his family when his wife was in an automobile accident that left her permanently bedridden and in need of round-the-clock care. They have no family to help care for the children, so they also need household help. You would like to give David a higher commission rate because of his circumstances. Would you do it?

**Scenario III.** A prospect calls the office and is looking for a property in the \$300,000 price range. This is much higher than most of the company’s prospects can pay. This excellent prospect quickly states that she is only willing to work with a salesperson of her own race and religion. Foreign language is not an issue. The office uses a planned rotation of “floor time,” which is the time when prospects are given to assigned salespeople. Granting the request would seriously upset the office plan and personnel. What would you do?

**Scenario IV.** You have never had a sales trainee like Joe. When you arrive early in the morning, he is already there working. He is thoughtful, courteous, and a real self-starter. The only problem is that Joe smells. Since you work with the trainees individually, no one else is affected but you feel ill from Joe’s body odour. Much as you would like to say something to him, Joe has told you, “I have been criticized all my life—first by my father who deserted me, then by my aunt who got stuck with me, and then by teachers when they were not ignoring me.” Joe promises to work hard and never give you reason to criticize him because he cannot take it anymore and any criticism will drive him “over the brink.” You fear that Joe will truly go “over the brink” if you say anything to him.

**Scenario V.** You have been taking phone applications for counter positions in your donut shop. One applicant, Cindy, is very well spoken and polite. You tell Cindy to come in after lunch when you will be in the shop. At 1:30 p.m., a car pulls up and a gigantic young woman gets out. She comes in and introduces herself as Cindy. She is so nice, so qualified, but so fat. Cindy volunteers that she will have her seamstress make her uniforms because she knows they do not come in sizes to fit a 260-pound, five-foot-three-inch woman. She tells you that she has no medical problem—she is just fat. Meanwhile, you have vowed never to eat another donut and to drink your coffee black and sugarless. You do not want to not hire such a nice person solely because of her weight. There are no space problems with hiring Cindy, as your work area is large. You wonder if this fear of lost business is personal or if Cindy’s size will really affect business. How do you find out? What do you tell nice, but morbidly obese, Cindy if you decide not to hire her?

## **GREAT IDEA #6**

### **UTILIZING AN INTERNET PERSONALITY TEST IN THE CONSUMER BEHAVIOUR COURSE**

*An interactive assignment that integrates personality testing and the Internet is the use of the Keirsey Temperament Sorter in a class presentation on personality. You can find The Keirsey Temperament Sorter by searching for “Keirsey Temperament Sorter” and accessing the sorter on the Keirsey.com website. The 70-item personality test is based on Carl Jung’s psychological types. The class is held in the computer lab. Each student accesses the URL and completes the personality test in approximately 20 minutes. This assignment enables students to learn about their own personality type. The website includes information about each personality type including leadership styles, career recommendations, and celebrities that are categorized under each personality type. After the students print out the information, like personalities are grouped together. These students then discuss the appropriate marketing strategies that would be successfully utilized in marketing a product to someone with their personality type. Each group presents their results to the class.*

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## **GREAT IDEA #7**

### **STUDENTS PRACTISE MAKING MARKET/PRODUCT GRIDS ON THEMSELVES**

This in-class project has students use a segmentation scheme that they have already studied. This could include:

- VALS
- Lifestyle
- Price Sensitivity
- Quality Sensitivity
- Attributes/Features Desired
- Involvement
- Demographics
- Geographic region
- Product Usage (Heavy vs. Light Users)

If students wish to use VALS, I instruct them ahead of time to get on the Internet and access the VALS survey online so that they can determine their type.

On the day when we do this exercise, students form groups of 5 to 8 persons. The group is instructed to pick a product category. I recommend the following categories to them as items they might be familiar with:

- Automobiles (cars, trucks, SUVs, etc.)
- Athletic shoes
- Recreational products (sports equipment, hiking gear, etc.)
- Entertainment products (movies, CDs, etc.)
- Food (packaged, grocery, or restaurants)

- Computer software/hardware
- Clothing

Students then have to describe which market segments are represented in their group according to the segmentation scheme(s) they choose to use. They must also develop a market/product grid to describe how to target different products (within their chosen category) toward the different market segments represented within their group. The product positions can be for existing products or imagined products (especially if no existing product fits a position they want). Students must discuss the general, overall “position” of the product and, for fantasy products, how they would accomplish that positioning. For example, if they want to position an athletic shoe as a “performance” (overall position) shoe, they might show advertisements with sports professionals using the shoe under demanding circumstances. To get credit on the exercise, students must write up a complete market/product grid with their accompanying notes. Some of the groups present their solution to the class.

This exercise quickly shows students the limitations of using only demographics to describe their customers, and really clarifies the process of segmentation and positioning for them.

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## **GREAT IDEA #8**

### **CONSUMER BEHAVIOUR ASSIGNMENT**

To illustrate and emphasize the decision process, use this assignment. Choose two goods or services that you or your family has purchased recently—one costing less than \$25 and one costing more than \$125. Explain the decision-making process for each purchase and the reasons for each purchase. Write this information in good form. Bring your findings to class and be prepared to discuss them. Your grade will depend on how well you relate your descriptions to the information in our text.

This often brings some surprising stories and offers numerous teaching opportunities!