

## CHAPTER 2: Strategic Planning for Competitive Advantage

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### TEXT BOOK CHAPTER FEATURES

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<i>Chapter Features</i>		<i>Key Points</i>
✓ Marketing Happens	⇒	Rona Incorporated's brand repositioning approach requires both strategic thinking and a strategic marketing plan.
✓ Marketing & You	⇒	Students can measure the emphasis they place on planning using a measurement scale from the Marketing Scales Handbook Vol. III.
✓ Customer Experience	⇒	Bass Pro Shops designs stores to enhance the customer experience by entertaining the customers while they shop.
✓ Ethics in Marketing	⇒	Indian law prohibits companies from advertising tobacco and liquor, but companies accomplish just this through surrogate advertising.
✓ Review and Applications	⇒	A review of the chapter material associated with each of the ten chapter learning outcomes is provided along with applications questions.
✓ Terms		A listing of all the key terms from the chapter is presented.
✓ Application Exercise	⇒	Students are asked to read a business article containing marketing substance and then write a one paragraph summary of the key points and to note the environmental, target markets and marketing mix issues that were covered.
✓ Ethics Exercise	⇒	Students are asked to consider whether Abercrombie & Fitch's marketing adult-style undergarments to a younger audience is unethical or simply a circumstance of poor taste.
✓ Case Study	⇒	Disney undergoes a dramatic revitalization in recent years by targeting new markets and strengthening its animation business.
✓ Video Case	⇒	In the space of 48 hours Doug Hall's offers marketing strategy assistance to three small businesses in Tofino, British Columbia.
✓ Appendix	⇒	Chapter 2 also contains a "Marketing Plan Outline" (page 44 of the text) to assist students in working through the sections of a plan.

This IM chapter begins with the learning outcomes summaries, followed by a lesson plan and concludes with supplemental exercises and Great Ideas for Teaching that you can use to deliver the content in Chapter 2.

- Lecture (for large sections)
- Video case (video)
- Group work (for smaller sections)
- Solution for Customer Experience
- Solution for Ethics in Marketing
- Solutions for Review and Applications
- Solution for Application Exercise
- Solution for Ethics Exercise
- Solution for Case Study
- Supplemental Online Exercises
- Supplemental Career Exercise
- Great Ideas for Teaching

## **1 Understand the importance of strategic marketing and know a basic outline for a marketing plan**

Strategic marketing planning is the basis for all marketing strategies and decisions. The marketing plan is a written document that acts as a guidebook of marketing activities for the marketing manager. By specifying objectives and defining the actions required to attain them, a marketing plan provides the basis on which actual and expected performance can be compared. Although there is no set formula for a marketing plan or a single correct outline, basic factors that should be covered include stating the business mission, performing a situation analysis of internal and external environmental forces, setting objectives, selecting target market(s), delineating a marketing mix (product, place, promotion, and price), and establishing ways to implement, evaluate, and control the plan.

## **2 Develop an appropriate business mission statement**

The mission statement is based on a careful analysis of benefits sought by present and potential customers and an analysis of existing and anticipated environmental conditions. The firm's mission statement establishes boundaries for all subsequent decisions, objectives, and strategies. A mission statement should focus on the market or markets the organization is attempting to serve rather than on the good or service offered.

## **3 Describe the components of a situation analysis**

Describe the components of a situation analysis. In the situation (or SWOT) analysis, the firm should identify its internal strengths (S) and weaknesses (W) and also examine external opportunities (O) and threats (T). When examining external opportunities and threats, marketing managers must analyze aspects of the marketing environment through a process called environmental scanning. The six most often-studied macro environmental forces are social, demographic, economic, technological, political and legal, and competitive. During the situation analysis, it is crucial for the marketer to identify a competitive advantage and establish that it is a sustainable competitive advantage.

## **4 Explain the criteria for stating good marketing objectives**

Objectives should be realistic, measurable, and time specific. Objectives must also be consistent and indicate the priorities of the organization.

## **5 Identify sources of competitive advantage**

A competitive advantage is a set of unique features of a company and its products that are perceived by the target market as significant and superior to the competition. There are three types of competitive advantages including cost, product or service differentiation, and niche strategies. Sources of cost-competitive advantages include experience curves, efficient labour, no-frills goods and services, government subsidies, product design, re-engineering, product innovations, and new methods of service delivery. Product or service differentiation exists when a firm provides something unique that is valuable to buyers besides just low price. Niche competitive advantages come from targeting market segments with specific needs and wants and ignored by other firms. The goal of all these sources of competitive advantage is to be sustainable.

## 6 Identify strategic alternatives

The strategic opportunity matrix can be used to help management develop strategic alternatives. The four options are market penetration, product development, market development, and diversification. In selecting a strategic alternative, managers may use a portfolio matrix, which classifies strategic business units as stars, cash cows, problem children, or dogs, depending on their present or projected growth and market share.

## 7 Discuss target market strategies

The target market strategy identifies which market segment or segments to focus on. This process begins with a market opportunity analysis (MOA), which describes and estimates the size and sales potential of market segments that are of interest to the firm. In addition, an assessment of key competitors in these market segments is performed. After the market segments are described, the firm may target one or more of them. The three strategies for selecting target markets are appealing to the entire market with one marketing mix, concentrating on one segment, or appealing to multiple market segments using multiple marketing mixes.

## 8 Describe the elements of the marketing mix

The **marketing mix** (or four Ps) is a blend of product, place, promotion, and pricing strategies designed to produce mutually satisfying exchanges with a target market. The starting point of the marketing mix is the product offering. Products can be tangible goods, ideas, or services. Place strategies are concerned with making products available when and where customers want them and providing for the transfer of ownership. Promotion includes personal selling, advertising, sales promotion, and public relations. Price is what a buyer must give up to obtain a product and is often the easiest to change of the four marketing mix elements.

## 9 Explain why implementation, evaluation, and control of the marketing plan are necessary

Before a marketing plan can work, it must be implemented; that is, people must perform the actions in the plan. The plan should also be evaluated to see if it has achieved its objectives. Poor implementation can be a major factor in a plan's failure. Control provides the mechanisms for evaluating marketing results in light of the plan's goals and for correcting actions that do not help the organization reach those goals within budget guidelines. Marketing and financial performance metrics should be established as part of the control process.

## 10 Identify several techniques that help make strategic planning effective

First, management must realize that strategic planning is an ongoing process and not a once-a-year exercise. Second, good strategic planning involves a high level of creativity. The last requirement is top management's support and cooperation.

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### LESSON PLAN FOR LECTURE

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#### **Before Class Preparation:**

- For instructors: 1) Study the chapter thoroughly; 2) bring PowerPoint slides to class; 3) bring any "props" that will help you communicate strategic planning for competitive advantage.
- For students: 1) Read the chapter; 2) complete the Study Guide for this chapter.

#### **Chapter Outline and Suggested PowerPoint Slides:**

An "H" appears next to slides with hyperlinks to the "On-Line" activities for Internet connected computers.

A "V" appears next to slides with embedded videos.

Downloadable slides are available **without videos** on the *Marketing 5e* Web site.

**PowerPoint 2-7:**  
Strategic Planning

**PowerPoint 2-8:**  
Strategic Marketing  
Management

**PowerPoint 2-9:**  
Marketing Planning

Review Question 1.1

**PowerPoint 2-10:**  
Why Write a Marketing  
Plan?

**PowerPoint 2-11:**  
Marketing Plan Elements

**1. Understand the importance of strategic marketing and know a basic outline for a marketing plan**

I. The Nature of Strategic Planning

A. Marketing managers must create and maintain a fit between the organization's objectives and resources and the evolving market.

1. **Strategic planning** is the managerial process of creating and maintaining a fit between the organization's objectives and resources and evolving market opportunities.

2. Strategic decisions require long-term resource commitments with major financial consequences. A good strategic plan can help to protect a firm's resources against competitive onslaughts.

3. Strategic marketing management addresses two questions: What is the organization's main activity at a particular time? And how will it reach its goals?

B. What Is a Marketing Plan?

1. **Planning** is the process of anticipating future events and determining strategies to achieve organizational objectives in the future.

2. **Marketing planning** involves designing activities relating to marketing objectives and the changing marketing environment.

3. Issues such as product lines, distribution channels, marketing communications, and pricing are all delineated in the **marketing plan**.

C. Why Write a Marketing Plan?

1. The **marketing plan** is a written document that acts as a guidebook of marketing activities for the marketing manager.

2. The marketing plan allows you to examine the external marketing environment in conjunction with the inner workings of the business, allowing the firm to enter the marketplace with an awareness of possibilities and problems.

D. Marketing Plan Elements

There are elements common to all marketing plans, such as defining the business mission and objectives, performing a situation analysis, delineating a target market, and establishing components of the marketing mix.

Review Questions 1.2, 1.3

Online Exercise:  
www.dmusic.com

Review Questions 2.1, 2.2

**PowerPoint 2-14, 2-15:**  
Defining the Business  
Mission

Online Exercise:  
www.bombardier.com  
www.bmp.com

**PowerPoint 2-16:**  
Strategic Business Units

**PowerPoint 2-19, 2-20:**  
Conducting a Situation or  
SWOT Analysis

Review Question 3.1

**PowerPoint 2-21:**  
Environmental Scanning

## E. Writing the Marketing Plan

Creating a complete marketing plan is not a simple or quick effort. And the plan is only as good as the information it contains and the effort, creativity, and thought that went into its creation.

1. Many of the elements in the plan are decided upon simultaneously and in conjunction with one another.
2. Every marketing plan is unique to the firm for which it was created.

## 2 Develop an appropriate business mission statement

### II. Defining the Business Mission

- A. The firm's **mission statement** is the long-term vision based on a careful analysis of benefits sought by present and potential customers and analysis of existing and anticipated environmental conditions.
- B. Defining the business in terms of goods and services rather than in terms of the benefits customers seek is sometimes called **marketing myopia**. In this context, the term *myopia* means narrow, short-term thinking, which can threaten an organization's survival.
- C. The organization may need to define a mission statement and objectives for a **strategic business unit (SBU)**, which is a subgroup of a single business, or collection of related businesses within the larger organization.

Strategic business units will have the following characteristics:

1. A distinct mission and a specific target market
2. Control over their resources
3. Their own competitors
4. Plans independent of the other businesses in the organization

## 3 Explain the components of a situation analysis

### III. Conducting a Situation Analysis

- A. A situation analysis is sometimes referred to as a **SWOT analysis**. That is, the firm should identify its internal strengths (S) and weaknesses (W) and also examine external opportunities (O) and threats (T).
- B. **Environmental scanning** is the collection and interpretation of information about forces, events, and relationships in the external environments that may affect the future of the organization.

Online Exercise:  
www.quickmba.com/  
strategy/swot

Review Question 4.1

**PowerPoint 2-24, 2-25:**  
Marketing Objectives

Online Exercise:  
www.marcusletter.com/  
Objectives.htm

**PowerPoint 2-27 (V):**  
Competitive Advantage

**PowerPoint 2-28:**  
Competitive Advantage

Review Question 5.1

**PowerPoint 2-29:**  
Competitive Advantage

**PowerPoint 2-30, 2-31:**  
Cost Competitive  
Advantage

**PowerPoint 2-32:**  
Sources of Cost Reduction

*Rising gas prices and a weakening dollar have created a complex, possibly advantageous environment for McDonalds. While increased gas prices may discourage some consumers from visiting its drive-through windows, McDonalds hopes that its widespread availability, inexpensive prices, and new gourmet-style coffee offerings will attract consumers trying to save money by downgrading from pricier venues.*

- C. The six most often studied macroenvironmental forces are social, demographic, economic, technological, political/legal, and competitive.

## 4 Describe the criteria for stating good marketing objectives

### IV. Setting Marketing Plan Objectives

- A. **marketing objective** is a statement of what is to be accomplished through marketing activities.
- B. Marketing objectives should be realistic, measurable, time specific, and compared to a benchmark.

*When Mountain Dew Sport was introduced the company's goal was to have a 5 percent share of the sports drink market within three years.*

- C. Objectives communicate marketing management philosophies, provide direction, serve as motivators, are a basis for control, and force executives to clarify their thinking.

## 5 Identify the sources of competitive advantage

### V. Competitive Advantage

- A. **Competitive advantage** consists of a set of unique features of a company and its products that are perceived by the target market as significant and superior to the competition.
- B. Factor or factors which cause customers to patronize a firm and not the competition.
- C. The three types of competitive advantages are cost-competitive advantage, product-service differentiation, and niche competitive advantage.

1. A **cost-competitive advantage** results from being the low cost competitor in an industry while maintaining satisfactory profits. Sources of cost-competitive advantages include:
  - a. Experience curves tell us that costs decline at a predictable rate as experience with a product increases.
  - b. Efficient labour resulting from pools of cheap labour.
  - c. Removing frills and options from a product or service.
  - d. Government subsidies which effectively lower the cost of production by the amount of the subsidy.
  - e. Designing products for ease of production or using reverse engineering to cut research and design costs.

**PowerPoint 2-33, 2-34:**  
Product/Service  
Differentiation

Online Exercise:  
www.rona.ca

**PowerPoint 2-35, 2-36:**  
Niche Competitive  
Advantage

**PowerPoint 2-37:**  
Sources of Sustainable  
Competitive Advantage

**PowerPoint 2-39 (V):**  
Strategic Directions

**PowerPoint 2-40:**  
Strategic Alternatives

- f. Reengineering through downsizing, deleting unprofitable product lines, closing obsolete factories, or renegotiating supplier contracts.
- g. Use of production innovations such as new technology and simplified production techniques.
- h. Developing new, more efficient, methods of service delivery.

2. **Product/service differentiation** exists when a firm provides something unique that is valuable to buyers.

- a. Because cost competitive strategies are subject to continual erosion, product/service differentiation tends to provide a longer lasting competitive advantage.
- b. Brand names offer enduring competitive advantage.

*Firms fiercely defend brand names and brand dress (color and design). Brand identity conveys attributes such as company image and reputation and product quality.*

3. A **niche competitive advantage** seeks to target and effectively serve a single segment of the market.

- a. Small companies with limited resources can compete with larger companies using niche strategies.
- b. A market segment that has good growth potential but is not crucial to the success of major competitors is a good candidate for developing a niche strategy.

#### D. Building Sustainable Competitive Advantage

- 1. A sustainable competitive advantage is one that cannot be copied by the competition.
- 2. The sources of future competitive advantages are the skills and assets of the organization. Skills and assets include patents, copyrights, locations, equipment, technology, customer service, and promotion.
- 3. A **sustainable competitive advantage** is a function of the speed with which competitors can imitate a leading company's strategy plans.

#### *Customer Experience*

*Bass Pro Shops designs stores to enhance the customer experience by entertaining the customers while they shop.*

## **6 Identify strategic alternatives and describe tools used to help select alternatives**

### VI. Strategic Directions

A. To discover a marketing opportunity or strategic window, management must know how to identify the strategic alternatives. One method is Ansoff's strategic opportunity matrix.

- 1. A firm following a **market penetration** alternative would try to increase market share among existing customers.

**PowerPoint 2-41:**  
Ansoff's Strategic  
Opportunity Matrix

Online Exercise:  
www.clearly.ca

Review Question 6.1

**PowerPoint 2-42:**  
Portfolio Matrix

**PowerPoint 2-43:**  
Portfolio Matrix Strategies

**PowerPoint 2-44(V):**  
Review of Strategic  
Alternatives

*Cereal manufacturers attempt to increase market share through the intense advertisements of their different offerings.*

2. **Market development** is a strategic alternative that attracts new customers to existing products, perhaps by expanding the target market or expanding geographically.

Ideal for finding new uses for old products that will stimulate additional sales among existing customers while also bringing in new buyers.

*Whirlpool is seeking to be the world leader in the sales of home appliances with its expansion into European and Asian markets.*

3. A **product development strategy** entails the creation of new products for present markets. Advantages of this strategy are current knowledge of the target market and established distribution channels.

*Colgate's introduction of Total toothpaste is designed to appeal to the aging Crest generations' changing dental requirements.*

4. **Diversification** refers to a strategy of increasing sales by introducing new products into new markets. This strategy can be very risky when a firm is entering unfamiliar markets.

B. Selecting a Strategic Alternative

In the Boston Consulting Group's portfolio matrix, each SBU is classified by its present or forecast growth and market share.

1. A star is a fast-growing market leader.
2. A cash cow usually generates more cash than is needed to maintain market share
3. A **problem child** (or question mark) shows rapid growth but poor profit margins
4. A **dog** has low growth potential and a small market share.

The next step is to allocate future resources for each SBU:

1. **Build** if an organization has a current problem child that it believes has the potential to be a star.
2. **Hold** if an SBU is a very successful cash cow.
3. **Harvest** too increase the short-term cash return without too much concern for the long-run impact. Appropriate for all SBUs except those classified as stars.
4. **Divest** problem children and dogs with low shares of low-growth markets.



**PowerPoint 2-46:**  
Marketing Strategy

Review Question 7.1

**PowerPoint 2-47, 2-48:**  
Target Market Strategy

Online Exercise:  
[www.targetmarketingmag.com](http://www.targetmarketingmag.com)

**PowerPoint 2-51:**  
The Marketing Mix

Review Question 8.1

**PowerPoint 2-52:**  
The "Four Ps"

Online Exercise:  
[www.mindtools.com](http://www.mindtools.com)

**PowerPoint 2-53:**  
The "Four Ps": Product

## 7 Discuss target market strategies

### VII. Describing the Marketing Strategy

**Marketing strategy** involves selecting and describing one or more target markets, and developing and maintaining a marketing mix that will produce mutually satisfying exchanges with target markets.

#### A. Target Market Strategy

1. A market segment is a group of individuals or organizations that share one or more characteristics. **Market opportunity analysis** is the description and estimation of the size and sales potential of market segments that are of interest to the firm.
2. Target market(s) can be selected by appealing to the entire market, concentrating on one segment, or appealing to multiple market segments using multiple marketing mixes.

## 8 Describe elements of the marketing mix

### VIII. The Marketing Mix

*Introduce each of the four P's of marketing. Then point out that a coordinated combination of all four elements is necessary to achieve a successful marketing mix.*

The term **marketing mix** refers to a unique blend of product, distribution, promotion, and pricing strategies designed to produce mutually satisfying exchanges with a target market.

Distribution is sometimes referred to as place, thus giving us the "**four P's**" of the marketing mix: product, place, promotion, and price.

*Example:*

*Target market: People who commute to work*

*Product: Hybrid powered cars*

*Place: Especially larger urban and suburban areas and those having strict*

*Promotion: Automotive magazines, TV, Internet*

*Price: Under \$25,000*

#### A. Product Strategies

The heart of the marketing mix, the starting point, is the product offering and product strategy. The product includes its package, warranty, after-sale service, brand name, company image, and many other factors.

#### B. Distribution Strategies

Distribution strategies, which usually involve wholesalers and retailers, are concerned with making products available when and where customers want them. Physical distribution also involves all the business activities that are concerned with storing and transporting raw materials or finished products.

**PowerPoint 2-54:**  
The “Four Ps”: Place  
(Distribution)

**PowerPoint 2-55:**  
The “Four Ps”: Promotion

**PowerPoint 2-56:**  
The “Four Ps”: Price

**PowerPoint 2-59:**  
Following Up the  
Marketing Plan

Review Questions 9.1

Online Exercise:  
[www.marketingaudit.com](http://www.marketingaudit.com)

### C. Promotion Strategies

Promotion includes personal selling, advertising, sales promotion, and public relations. Promotion's role in the marketing mix is to inform, educate, persuade, and remind target markets about the benefits of an organization or a product.

### D. Pricing Strategies

Price is what a buyer must give up to obtain a product. Price is often the most flexible of the four marketing mix elements, the quickest element to change. Price is a very important competitive weapon and very important to the organization, because price multiplied by the number of units sold equals total revenue for the firm.

## 9 Explain why implementation, evaluation, and control of the marketing plan are necessary

### IX. Following Up The Marketing Plan

A. **Implementation** is the process of gaining the organizational compliance required to put marketing strategies into action. Brilliant marketing strategies are doomed to fail if they are not properly implemented.

B. **Evaluation** entails gauging the extent to which marketing objectives have been achieved during a specified time period.

C. **Control** provides the mechanisms for evaluating marketing results in light of the strategic plan and for correcting actions that do not help the organization reach those goals within budget guidelines.

1. A **marketing audit** is a thorough, systematic, periodic evaluation of the goals, strategies, structure, and performance of the marketing organization.
2. The marketing audit has four characteristics:

*Comprehensive* - The marketing audit covers all the major marketing issues facing an organization and not just trouble spots.

*Systematic* - The marketing audit takes place in an orderly sequence and covers the organization's marketing environment, internal marketing system, and specific marketing activities. The diagnosis is followed by an action plan with both short-run and long-run proposals for improving overall marketing effectiveness.

*Independent* - The marketing audit is normally conducted by an inside or outside party who is independent enough to have top management's confidence and to be objective.

*Periodic* - The marketing audit should be carried out on a regular schedule instead of only in a crisis.



*Ethics in Marketing*

*Indian law prohibits companies from advertising tobacco and liquor, but companies accomplish just this through surrogate advertising. Are such strategies ethical?*

**10 Identify several techniques that help make strategic planning effective**

X. Effective Strategic Planning

Effective strategic planning requires continual attention, creativity, and management commitment.

- A. It is not an annual but an ongoing process.
- B. Sound planning is based on creativity. The firm needs to challenge existing assumption.
- C. Perhaps the most critical element is the support and participation of top management

**PowerPoint 2-62:**  
Effective Strategic Planning

Online Exercise:  
www.mplans.com

Review Question 10.1

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**TERMS**

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cash cow	market opportunity analysis (MOA)	portfolio matrix
competitive advantage	market penetration	problem child (question mark)
control	marketing audit	product development
cost competitive advantage	marketing mix	product/service differentiation
diversification	marketing myopia	star
dog	marketing objective	strategic business unit (SBU)
environmental scanning	marketing performance metrics	strategic planning
evaluation	marketing plan	sustainable competitive advantage
experience curves	marketing planning	SWOT analysis
four Ps	marketing strategy	
implementation	mission statement	
market development	niche competitive advantage	
	planning	

## Short ADS

These videos are only available on the dedicated PowerPoint CD-Rom. As you present the slides in class, have your students evaluate each ad based on the concepts in the chapter. For Chapter 2 there are three different ads, one from California Cheese and two from Chevrolet associated with the concept of competitive advantage. The California Cheese ad illustrates why their cheese is better – happy cows. A humorous ad features a cow cooling off in a farm field’s water sprinkling system. The first Chevy ad for the Aveo catches the viewer’s attention with an elephant being chased by a small Aveo, suggesting a small car; however, when the basketball players are viewed from the inside the car appears large – small on the outside but big on the inside. A second Chevy ad catches the viewer’s attention with a number of youths with soap in their mouth supposedly after they commented “Holy S\_\_\_” when they say a new Chevrolet convertible’s top automatically folded into the vehicle – the audience will no doubt participate and automatically mouth the words.

## Video Case

These videos are written up as standalone cases in the text book and have accompanying questions. As such they can be used with or without video support. For the most part, the written cases have supplementary material in them beyond what is presented in the videos. The solutions to the “written” video cases are presented below the “video” based exercises.

### *Segment Summary: **Town Doctor: Big-Time Marketing Strategy Planning Comes to Tofino, B.C.***

*Cash-strapped startup companies generally do not spend a great deal of time and money on strategic planning. Founders are so busy with the rudiments of business – finding customers and creating, manufacturing, and delivering the product – that they may even forget important things, like product display and promotional brochures.*

*Doug Hall founded Richard Saunders International in 1986. Currently serving a long client list of companies such as Proctor & Gamble, PepsiCo, Nike, Ford and American Express, the company operates from Eureka! Ranch. Richard Saunders International has three strategic business units, of which Eureka! Inventing is the largest. Eureka! Inventing offers three day creative planning sessions for major clients. The unorthodox sessions might be geared toward generating new product ideas, new line extensions, new advertising, repositioning current products, turnaround strategies or entire marketing plans.*

*Doug has decided that offering the expertise of “Eureka! Inventing” to small businesses that would otherwise not be able to afford these services. In 2001 Doug Hall assisted four small P.E.I. entrepreneurs with their promotional brochures and messages, product displays and offerings. Watch the video and see Doug assist three entrepreneurs on the west coast of Canada (Tofino, B.C. ) to develop new business concepts.*

*Dust Bunnies – the owner and worker of a house cleaning service wants to offer other services and manage the house cleaning operations. Doug provides suggestions to expand, promote and finance the new services.*

*The Market – the entrepreneur has a number of seemingly unrelated businesses. Doug’s team provides suggestions to streamline and promote the core businesses.*

*Sea Safari (Whale Tours) – Doug helps the entrepreneur identify the unique competitive difference for this whale tour operation.*

These teaching notes combine activities that you can assign students to prepare before class, that you can do in-class before watching the video, that you can do in-class while watching the video, and that you can assign students to complete as assignments after the video class.

During the viewing portion of the teaching notes, stop the video periodically where appropriate to ask students the questions or perform the activities listed on the grid. You may even want to give the students the questions before starting the video and have them think about the answer while viewing the segment. That way, students will be engaged in active viewing rather than passive viewing.

<b>PRE-CLASS PREP FOR YOU:</b>		<b>PRE-CLASS PREP FOR YOUR STUDENTS:</b>	
<p>Preview the video case segment for Chapter 2. This exercise reviews concepts for LO4, LO5, and LO7.</p> <p>Review your lesson plan.</p> <p>Make sure you have all of the equipment needed to show the video to the class, including the DVD and a way to project the video.</p>		<p>Have students familiarize themselves with the following terms and concepts: <i>competitive advantage</i>, <i>marketing mix</i>, <i>target market strategy</i>, <i>product/service differentiation</i>, and <i>sustainable competitive advantage</i>.</p> <p>Review Web site with those concepts in mind: <a href="http://www.eurekaranch.com">www.eurekaranch.com</a> and <a href="http://www.tofinobusiness.com">www.tofinobusiness.com</a></p> <p>Alternatively, assign students to visit local small retailers selling hand-made products to compare the products and marketing efforts. Students should bring their comparisons to class. This is a good exercise to do in teams, assigning each team a specific retailer to study.</p>	
<b>VIDEO REVIEW EXERCISE</b>			
<b>ACTIVITY</b>			
<b>Warm Up</b>	Begin by asking students: “What is the goal of strategic planning?” [on the board or overhead, write “ <i>long-term profitability and growth</i> ”]		
<b>In-class Preview</b>	Segue into a discussion of the elements that make up a <i>marketing plan</i> . Copy <i>Exhibit 2.1</i> onto the board / overhead / PowerPoint. Briefly explain each of the elements as you write them if students have not become familiar with them from previous reading.		
	Remind students to keep the marketing plan elements in mind as they review the video.		
	Compare the concepts of market strategy and market mix. If the video in chapter one was viewed ask students to recall the target market (consumers – home owners; distributed through chain stores such as Walmart and direct through TV Shopping Channels) identified in “Worm Boy”		
	Ask students to review the video case questions below (same as textbook) and to be prepared to answer them after viewing the video.		
<b>Viewing</b>  <i>(solutions below)</i>	1. What do you think Doug Hall’s corporate mission statement might have been in 1986 when he founded Richard Saunders International, and what do you think that it might be today?		
	2. What do you think is the major competitive advantage of Richard Saunders International?		
	3. Into which cell of the portfolio matrix do you feel that each SBU of Richard Saunders International would fall?		
	4. Can the marketing strategies used for the large clients of Doug Hall work for small businesses?		
	5. What is your assessment of the business concepts developed by Doug Hall for the three Tofino businesses? What other business ideas might you be able to offer to these business owners?		
<b>Follow-up</b>	Send students to the Eureka Ranch Web site at <a href="http://www.eurekaranch.com">www.eurekaranch.com</a> . Have students view the “Town Doctor” video again from Doug Hall’s web site and write a brief paragraph on core businesses and the risk of product-service expansion.		
	On the board, write a list of the successful marketing strategies that come out of the video.		
	Assign students to write a brief marketing plan for one of the retailers, based on their store visits and class work.		

***Solutions for Viewing Activities (Video Case questions from the textbook):***

- 1. What do you think Doug Hall's corporate mission statement might have been in 1986 when he founded Richard Saunders International, and what do you think that it might be today?**

*Since Doug Hall has a variety of business interests the student's answers will vary, however, they should contain the main ingredients: the target customer; the needs being satisfied; and technology/service offered. Looking at an overall mission statement for Doug Hall it is likely that in 1986 the mission statement would have dealt with growing and succeeding in the newly founded company: to help businesses learn about their customers and develop new product lines to meet those needs. Today, based on the CBC video and the volunteer work he does for entrepreneurs, it is likely that Doug Hall would add social values and helping and training issues into the mission statement. Suggested mission statement: To assist businesses to understand how to be creative in developing new ideas for their marketing strategies and their company.*

- 2. What do you think is the major competitive advantage of Richard Saunders International?**

*The company's sustainable competitive advantage centers around the work ethic, exuberance, and creativity of the company founder, Doug Hall. Richard Saunders International has a major competitive advantage in their successful experience with a unique approach. A proven record is essential to the sale of the process, as results are not necessarily guaranteed for each company – no answers are given prior to the creative sessions, and the experience is quite unique, so companies cannot know what to expect. Therefore they will rely on his reputation for success in making a purchase decision.*

- 3. Into which cell of the portfolio matrix do you feel that each SBU of Richard Saunders International would fall?**

*Student answers will vary depending on how they view the growth potential of the company. Eureka! Inventing is a star for Richard Saunders International. This assumes a growing market with high market share. Their second SBU, TrailBlazer Training, would likely be a cash cow. This market is smaller, perhaps more stable, but they still do well re: market share. The third SBU, Merwyn Technology, is a newer product and likely does not command a large market share. However, the technology driven market is a growing one. Therefore this SBU would likely be a problem child (potential star, with good potential). Fortunately, Richard Saunders International has a cash cow available to generate funds to turn the problem child into a star.*

- 4. Can the marketing strategies used for the large clients of Doug Hall work for small businesses?**

*The basic concepts do not change between large clients and small businesses but tactics certainly do. All companies can use the creative approaches to generating new ideas. A small business simply does not have the resources to do many of the things that a large business, like Frito-Lay, would be able to do.*

- 5. What is your assessment of the business concepts developed by Doug Hall for the three Tofino businesses? What other business ideas might you be able to offer to these business owners?**

*Dust Bunnies – the core business is cleaning and the bike cab is a sideline that can be used to advertise the business and provide some diversity.*

*The Crab business (The Market) – it is important to concentrate on one core business and ensure that it is doing well, which should provide greater returns (R.O.I.) for the investment of time and money.*

*Sea Safaris (Whale Tours) – it is important to position the core business away from the competition or differentiate the product offering in a competitive generic industry.*

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## LESSON PLAN FOR GROUP WORK

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In most cases, group activities should be completed after some chapter content has been covered, probably in the second or third session of the chapter coverage. (See the “Lesson Plan for Lecture” above.)

- For the “Class Activity: Marketing Strategy Analysis:” Divide the class into small groups of 4-5 people. Provide the information and the questions asked by the class activity
- The “Review and Applications:” Questions 1.2, 2.2, 3.1, 4.1, 5.1, 6.1, 8.1 and 9.1 lend themselves well to group work. For these activities, divide the class into small groups of 4-5 people. Each group should read the question and then use their textbooks, or any upfront work that was done previously, to complete the exercise. Then each group should discuss or present their work to the class. Alternatively, randomly ask one group to discuss their work and have the class critic the information or ask questions directly to the group.

### **Class Activity – Marketing Strategy Analysis**

In this exercise, students are asked to brainstorm with you. Let the students select several high-profile goods and services. Then get the class to help analyze the marketing strategy by answering these questions.

1. What is the product?
2. Who is the target market?
3. On what criteria is this market segmented?
4. What demographic factors affected the choice of this target?
5. What is the price strategy? Promotion strategy? Distribution strategy?
6. How is the product packaged? Why?
7. Who is the direct competition? Indirect competition? Which companies would be appropriate benchmarks for this company? What competitive advantage does this product have?
8. How are environmental factors affecting the marketing of this product? Consider social, demographic, legal, political, economic, technological, and competitive factors.
9. Is the purchase of this product affected by psychological or social needs? Situational factors?
10. Is the marketer attempting market penetration? Market development? Product development? Diversification?
11. Does this company appear to have a total quality management orientation? What is its reputation on overall quality when compared to the competition?
12. Is this company known for being responsive to customers? Brainstorm a list of adjectives that describe this company and its products. How does this list fit with the concept of value?

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## SOLUTIONS FOR CHAPTER 2

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### ***CUSTOMER EXPERIENCE: Retail Entertainment***

**How might the concept of retail entertainment be applied to other types of retail stores or shopping areas and malls? Either think of examples you have experienced, or create a new idea for using this concept.**

Restaurants like the Hard Rock Café and Planet Hollywood have been using this approach for years with themed restaurants. Virtually every sports bar takes this approach. Merchandize retailers like Future Shop and Best Buy have video game systems you can play with and entertainment system displays. Music stores have made it possible for people to listen to music and video stores play movies while you shop. Of course malls have all kinds of activities going on with displays, fashion shows, movie theatres and play areas. The West Edmonton Mall has skating rinks and a Water Park along with attached hotels.

## ***ETHICS IN MARKETING: Surrogate Ads***

**Is it ethical for India’s tobacco and liquor companies to use surrogate advertising to get their brand names in front of customers? Take a stand and defend your answer.**

These companies are skirting the intent of the laws. In Canada when “advertising” was banned for use by Tobacco companies they used sponsorship to communicate until this was banned. The surrogate ads can be argued a couple of ways. The companies have a “line” of products which they are selling. However, given the likely disparity between the sales of the tobacco and alcohol brands versus the surrogate brands you can make the case that the surrogates represent sales promotion and not attempts by these companies to “diversify” their businesses. The intent is very clear and the spirit of the law in India is being broken and the letter of the law needs to be changed. A “tobacco” brand cannot be advertised or placed on the label of any other product. The same, for a spirit or alcohol brand.

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## **REVIEW AND APPLICATIONS**

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**1.1. Your cousin wants to start his own business, and he is in a hurry. He has decided not to write a marketing plan because he has thinks that preparing such a document would take too long. He says he doesn’t need a formal proposal because he has already received funding from your uncle. Explain why it is important for him to write a plan anyway.**

Strategic marketing planning is the basis for all marketing strategies and decisions. The marketing plan is a written document that acts as a guidebook of marketing activities for the marketing manager. By specifying objectives and defining the actions required to attain them, a marketing plan provides the basis on which actual and expected performance can be compared. Even when in a hurry, one can construct a brief marketing plan to help guide thinking and serve as a framework for future activities. The appendix at the end of Chapter 2 provides the details of a marketing plan and questions that should be addressed for a specific business.

**1.2. After graduation, you decide to take a position as the marketing manager for a small snack-food manufacturer. The company, Shur Snak, is growing, and this is the first time that the company has ever employed a marketing manager. As such, there is no marketing plan in place for you to follow. Outline a basic marketing plan for your boss to give her an idea of the direction you want to take the company.**

The marketing plan, as outlined in Exhibits 2.1 and 2.7, should contain the following sections:

- Business mission statement
- Objectives
- Situation analysis
- Internal strengths and weaknesses
- External environmental opportunities and threats
- Target market(s)
- Marketing mix
- Product/service strategies
- Place/Distribution strategies
- Promotion strategies
- Pricing strategies
- Implementation, evaluation, and control



**1.3. How are Coke and Pepsi using their websites, [www.coca-cola.com](http://www.coca-cola.com) and [www.pepsi.com](http://www.pepsi.com), to promote their newest product offerings? Do you see hints of any future strategies the companies might implement? Where?**

There will certainly be different brands being promoted at different times. The key is whether these brands are being showcased on the sites or understated in their presentation. For example are they just pictured or is there some type of flash intro and special direction given to visitors. On the most recent visit to the Coca Cola site the Coca Cola brand was front and center. This was mildly surprising given that Coke Zero was the most recent new product. The Coke Zero logo was featured at the bottom of the page though along with Diet Coke. Interestingly, when you clicked the products link the Coke Zero brand did take top billing so it was being promoted. There were no other “new brands” featured at this visit.

The Pepsi site was promoting the Pepsi Refresh Project and was highlighting Pepsi Max, their newest product at this writing. It was also understated like Coke Zero with just a logo display. When you clicked the products link you were taken to another menu for listing of products. There was not a lot of new product excitement communicated at this writing.

**2.1. How can a new company best define its business mission statement? Can you find examples of good and bad mission statements on the Internet? How might you improve the bad ones?**

The mission statement is based on a careful analysis of benefits sought by present and potential customers and analysis of existing and anticipated environmental conditions. The company’s long-term vision, embodied in the mission statement, establishes boundaries for all subsequent decisions, objectives, and strategies. A mission statement should focus on the market or markets the organization is attempting to serve rather than on the good or service offered. Students should be able to evaluate mission statements from company Web pages according to their marketing orientation and focus.

**2.2 Thinking back to question 1.2, write a business mission statement for Shur Snak. What elements should you include? Evaluate the mission you wrote against some of the missions you found online in question 2.1.**

The mission statement should focus on the market or markets that the organization is trying to serve rather than the one good or service that it offers. Elements that could be included in a mission statement are: 1) market(s) served; 2) benefits; 3) long-term vision; 4) special competitive advantages, such as technology; or 5) goals, such as market leadership.

**3.1. Competition in the private courier sector is fierce. UPS and FedEx dominate, but others, such as DHL, Emery, and even Canada Post still have a decent chunk of the express package delivery market. Perform a mini situation analysis on one of the companies listed by stating one strength, one weakness, one opportunity, and one threat. You may want to consult the following Web sites as you build your grid:**

United Parcel Service (UPS)	<a href="http://www.ups.com">www.ups.com</a>	FedEx	<a href="http://www.fedex.com">www.fedex.com</a>
Emery	<a href="http://www.usps.gov">www.usps.gov</a>	DHL	<a href="http://www.dhl-usa.com/home/home.asp">www.dhl-usa.com/home/home.asp</a>
Canada Post	<a href="http://www.canadapost.ca">www.canadapost.ca</a>		

The situation analysis (SWOT analysis) should include the following:

Internal analysis:  
Strengths and Weaknesses  
External analysis:  
Opportunities and Threats

**4.1 Building on our Shur Snak example (see question 2.1), imagine that your boss has stated that the marketing objective of the company is to do the best job of satisfying the needs and wants of the customer. Explain that although this objective is admirable, it does not meet the criteria for good objectives. What are these criteria? What is a specific example of a better objective for Shur Snak?**

Good criteria for objectives are: 1) they are realistic, measurable, and time specific; and 2) they are consistent d  
 indicate the priorities of the organization. The objectives that students write should meet those criteria.

**5.1. Break into small groups and discuss examples (at least two per person) of the last few products you have purchased. What specific strategies were used to achieve competitive advantage? Is that advantage sustainable against competitors?**

To have a successful marketing plan, one must seek a differential advantage over the competition when examining internal strengths and external marketplace opportunities. A differential advantage is one or more unique aspects of an organization that cause target consumers to patronize that company rather than competitors. A differential advantage may exist solely in the company's image. Differential advantages may also occur in any element of the marketing mix. The two basic sources of differential advantage are superior skills and superior resources. The key to having a differential advantage is the ability to sustain that advantage. A sustainable competitive advantage is one that cannot easily be copied by the competition. For example, a well established brand name cannot be copied, however, other brand names can be developed.

**6.1. Based on your SWOT analysis, decide what the strategic growth options are for the company you chose in question 3.1. Also, decide where your company's products fit in the Boston Consulting Group matrix (see Exhibit 2.5).**

Strategic growth options should be chosen from the following: 1) market penetration strategy; 2) market development strategy; 3) product development strategy; or 4) diversification. See Ansoff's Strategic Opportunity Matrix, Exhibit 2.4.

Ansoff's Strategic Opportunity Matrix	Present Product	New Product
<b>Present market</b>	Market penetration:	Product development:
<b>New Market</b>	Market development:	Diversification:

Large organizations may operate a number of strategic business units (SBU) each have their own growth potential, risk, and R.O.I. The portfolio matrix classifies each SBU by its present or forecasted growth and the relative market share (i.e. the SBU has 50% share and the competition 5% then the ratio is 10x. See Portfolio Matrix, Exhibit 2.5 for details.

Portfolio Matrix		
<b>High Market growth</b>	Stars:	Problem Child / Question Mark:
<b>Low Market growth</b>	Cash Cows:	Dog:
	<b>High Market Share</b>	<b>Low Market Share</b>

**7.1 You are given the task of deciding the marketing strategy for a transportation company. How do the marketing mix elements change when the target market is (a) low-income workers without personal transportation, (b) corporate international business travelers, or (c) companies with urgent documents or perishable materials to get to customers?**

Target Market: Low-income workers without personal transportation

Product: Bus or light rail service

Price: Inexpensive or free

Place: Inner city

Promotion: Billboards

Target Market: Corporate international business travelers

Product: High speed jet service with laptop and telephone hookups, conference tables

Price: High

Place: International airports in densely populated business centers around the world

Promotion: Corporate print publications, direct mail

Target Market: Companies with urgent documents or perishable materials to get to customers

Product: High speed motor carrier coupled with plane service, courier service, pickup/delivery

Price: Medium to high

Place: Downtown businesses around the country

Promotion: Television, radio

**8.1. Choose three or four other students and make up a team. Create a marketing plan to increase enrollment in your school. Describe the four marketing mix elements that make up the plan.**

Students should provide detail for the following elements of the marketing plan (see Exhibit 2.6):

Business mission statement

Objectives

Situation analysis

Internal strengths and weaknesses

External environmental opportunities and threats

Target market(s)

Marketing mix

Product/service strategies

Place/Distribution strategies

Promotion strategies

Pricing strategies

Implementation, evaluation, and control

**9.1. Have your school enrollment marketing plan team (from question 8.1) develop a plan to implement, evaluate and control the marketing strategy.**

This section can use a number of formats, but a suggested format for the implementation plan is a Gantt chart (a Gantt chart is a graphical representation of the duration of tasks against the progression of time) or other scheduling chart that shows the “big picture” of when important events should take place in order to put the strategies and tactics into action. If students don’t know how to do a Gantt chart, they can put together a simple timeline showing these events.

For the evaluation and control section, a simple grid containing the following elements should suffice: 1) the marketing objectives (both financial and strategic objectives); 2) how to measure the objectives; and 3) when to evaluate the accomplishment of each objective.

### 10.1. What techniques can make your school enrollment marketing plan more effective?

The effectiveness of the plan depends on many factors: 1) how realistic the plan is (objectives, scope, and timing of the events); 2) the resources available to implement the plan; 3) how thorough the situation analysis is; 4) how broad the mission statement is; 5) how detailed and thorough the marketing mix variables are; and 6) the soundness of the strategies. (For instance, does the plan provide an opportunity to use competitive advantage?)

#### **APPLICATION EXERCISE**

**Purpose:** The purpose of this application is to demonstrate the importance and the energy it takes for good environmental scanning. This exercise (page 41 of the text) will introduce students to the business press and so help make the connection from the classroom to the real world.

**Setting it up:** The exercise is best used as an assignment. It could also be worked as an in-class group activity by asking students to each bring a business article of interest to class, dividing the class into groups, and having each group select one of its member's articles as the basis for the activity. Groups would do the scan together and report their findings to the class.

This exercise was inspired by the following Great Idea in Teaching Marketing:

*Robert D. O'Keefe, DePaul University*  
*Philip R. Kemp, DePaul University*  
*J. Steven Kelly, DePaul University*

#### PRINCIPLES OF MARKETING: USING ENVIRONMENTAL SCAN REPORTS AS A MEANS OF ASSESSING STUDENT LEARNING

Two of the several objectives we've set for our Principles of Marketing (Mkt 301) course are common to all principles courses. We want students to (1) Develop an understanding of the fundamental concepts involved in marketing and (2) Develop skills in analyzing marketing strategies. In other words, we want students to leave the class understanding both the definition and application of marketing terminology and theoretical concepts.

We've found that we can assess a student's knowledge of terminology and even very basic applications of these terms via objective tests. Assessing our expectation that students, even at the introductory level, will develop a deeper and more sophisticated understanding of terminology and strategy requires an alternative method of assessment. Case study and case reports both written and oral are widely agreed to be an optimal method for assessing student performance. Our teaching environment, however, presented problems, which are not uncommon to business programs. For a number of reasons our class sizes have increased often to between 80 and 100 students and we have had to conduct classes in an auditorium setting with row upon row of fixed graduated seats. Aside from the physical conditions, recent curriculum revisions required that we add significant content to the principles course over the 10 week long quarter. These are not optimal conditions for the traditional case study approach to learning.

In addition to the individual courses objective we are bound to meet college wide program objectives. As with many other schools of business DePaul's College of Commerce has made "the development of both oral and written communication skills" a primary educational outcome and instituted a program of "writing across the curriculum" as a means of achieving enhanced communication skills. What we needed was a means of assessing our college course objectives, which converged with the program objective of the college. The adoption of what we have called environmental scan reports provided us with a method for satisfying both our course and program objectives.

As can be seen in the instructions that follow, the environmental scan reports serve to reinforce students' understanding of terminology and strategy. The reports provide a bridge between the text and contemporary events. To paraphrase our instructions we want students to see that text concepts are dynamic and contemporary in their application.

Our experience with using the environmental scan reports over the past several years has been positive in a number of

ways. We've found that the reports allow us to determine whether or not students are developing a working knowledge of marketing principles and are able to communicate this knowledge effectively. We've also found that the skills enhanced by the preparation of the environmental scan reports transfer quite well to the traditional case studies encountered in advanced classes. In addition, the written comments on the students' course evaluation forms quite frequently cite the environmental scan reports as one of the aspects of the course they found most beneficial.

What follows are the instructions for preparing environmental scan reports. These instructions are included in the course syllabus. We invite our teaching colleagues to experiment with environmental scan reports using the instructions provided or modifying them to meet their own course and program objectives.

### **Handout** **ENVIRONMENTAL SCAN ASSIGNMENT**

Each student will do this assignment three times per term. It will be worth 90 points (3 @ 30).

The assignment involves finding a **current** article of **substance** in the business press (WSJ, BW, Fortune, etc) Find something about a company or industry, which discusses topics in your marketing text (text name).

The objectives of these reports are (1) To guide you in discovering that Marketing is not simply a collection of static terms and dated theories. Rather, as you'll find in reading the articles and preparing your reports both corporate and social organizations are living the principles you are learning. (2) to assure that you effectively communicate the important points of the articles on which you've chosen to report.

You will be assigned, with other students, a **group number**. Check the list that'll be distributed to see when the class dates with your number comes due. We will discuss these articles during the week. Expect to be called upon to discuss your report; I will call on some of the students in the group throughout the week. You must be prepared to hand in your assignment when requested. Late assignments will receive only half credit.

#### *Format*

Reports are to be typed, double spaced on 2 (**MAXIMUM**) sheets of 8 ½" x 11" paper, **stapled together**, with no plastic bindings. I expect that these reports will represent your best presentation quality. Please follow this format: type the headings, I. Introduction, II. Environment, III. Marketing Mix Variables, IV. Questions.

Top of page 1.

Your name, group number

Mkt. 301

Use the following citation format:

Author's last name, first name, "Title of the article," in Periodical,  
(dates), page numbers.

USE THESE HEADINGS FOR EACH SECTION:

**Introduction:** This is 3 paragraphs

In your own words, provide a one paragraph summary of key points of the article.

List and provide definitions of terms or concepts critical to understanding the key points of the article.

Relate the key points, terms and concept to the material in your textbook. Cite the appropriate chapters and page numbers.

## **II. Environment:**

Explain which of the “environments” are relevant to the situation discussed in the article. Refer to Chapter 3 of the text for a complete discussion of environments. Pay special attention to the competitive environment and issues bearing on competitive advantage.

## **III. Marketing Mix Variables**

Explain the relevance of the strategy elements (Target Market and Marketing Mix) and especially changes in the strategy elements dictated by the situation discussed in the article.

## **IV. Presentation**

I expect to ask students who submit particularly relevant reports to summarize these reports in class.

### ***ETHICS EXERCISE***

#### **1. Is marketing adult-styled undergarments to a younger audience unethical or in poor taste? Would Abercrombie & Fitch have been in the spotlight had the sexy words been omitted from the product?**

Abercrombie, a company known for using sex as a primary advertising tool, has attracted younger ages to its lines designed for the college crowd. In this case, Abercrombie was promoting and actively marketing adult-styled underwear to young girls; it was a case of promotion rather than attraction. For this reason, Abercrombie’s actions could be considered unethical. Marketers targeting products at children must vigilantly monitor their marketing efforts to make sure they are not promoting or otherwise advocating products that are not appropriate for that age group.

The parental backlash may not have been so strong if the sexy words had been omitted. Without the phrases, the more subtly sexual underwear may have passed under the radar of many parents adopting a “kids will be kids” attitude. The phrases, however, called attention to the sexual nature of the design, causing the parents of many pre-teen girls to react.

#### **2. Take a look at the company’s website ([www.abercrombie.ca](http://www.abercrombie.ca)). What do you think of the young models displayed on the website? The website puts out a call for new young models (male and female). Would you consider applying?**

The site appears to be using young attractive models for the men, women and children’s web site. On the most recent visit the opening web page set the tone by showing a fit and handsome young man. You can only see his upper body but he is not wearing any clothing at all on the part of him you can see. For the women’s clothing the young man is seen cavorting with a young woman who is clothed but showing a lot of skin. The children’s models were fully clothed but clearly “made-up” models and not fresh faced kids.

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### **CASE STUDY**

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#### **Disney: The Happiest Brand on Earth**

#### **1. Do a brief market opportunity analysis for Disney, identifying the major markets that Disney has expanded into.**

A market opportunity analysis is the description and estimation of the size and sales potential of market segments that are of interest to the firm and the assessment of key competitors in these market segments. Students should analyze any of the following strategic moves that were implemented under CEO Iger’s leadership: 1) Disney’s ability to broker a deal with Pixar to revitalize its animation business and eliminate a chief competitor. 2) Targeting the 6-14 year-old girl market by adding newer, hipper product offerings. 3) Broadening Disney’s viewership by moving the Disney Channel from premium to basic cable and launching local versions in key global markets. 4) A

willingness to expand into even broader markets by introducing PG-13-rated films and television offerings that appeal to 6-14 year-old boys.

**2. How does Disney’s cross-platform franchising help create sustainable competitive advantage?**

Disney takes advantage of cross-platform franchising by getting the most out of its popular franchises. For example, the Cars franchise has been financially lucrative since the *Cars* movie was released in 2006. With a sequel in the works for 2011 and the expected opening of a Cars Land attraction at Disney’s California Adventure theme park, the franchise is expected to continue to bring in revenue.

**3. Describe the marketing mix for one of Disney’s franchises.**

Students may describe the marketing mix for any of Disney’s franchises, not limited to Cars, Jonas Brothers, Hannah Montana, High School Musical, the Disney Princesses, and Pirates of the Caribbean. Students should first identify a target market. Students should then describe how product, place (distribution), promotion, and pricing are blended to produce mutually satisfying exchanges with the target market.

**4. Describe the major components of Bob Iger’s strategic plan when he first became CEO.**

When Bob Iger became CEO of Disney, he shifted Disney’s focus around its stable of franchises to take advantage of cross-platform franchising. He also revitalized Disney’s animation business by brokering a deal that led to the acquisition of Pixar. Iger also developed strategies to expand existing markets and identify new markets for Disney franchises, first by targeting the 6-14 year-old girl market, then by targeting the 6-14 year-old boy market.

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**SUPPLEMENTAL ON-LINE EXERCISES**

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The following online assignments can be assigned either before or after lecture. Before you lecture they can serve as discussion starters. You could assign groups to each exercise and have them report or lead discussion during this part of the topic.

Please note: As of this writing, the information presented below was correct. However, website content and website links are constantly changing. Before assigning the online questions check to make sure the links are operating and the question still has relevance. Feel free to make changes to the exercises to make them match the current representations. In the case of broken links, consider a substitute.

**1. Understand the importance of strategic marketing and know a basic outline for a marketing plan**

[www.dmusic.com](http://www.dmusic.com)

**Use Exhibit 2.1 to create a sample summary marketing plan for Dmusic.com, an Internet start-up created by a teenage entrepreneur.**

**Exhibit 2.2**

Business Mission

Aside from being the oldest online digital music community, DMusic is a hosting platform for artists. We have built website technology to allow musicians to plug their official websites in to our platform, enabling them to add far more interactive components to their website than they normally could. DMusic.com is a portal front end for all of these sites, plus the hundreds of artists who sign up for simple templated pages they can administer through some of the same tools the official websites have.

Marketing Objective

The site does not provide any clear objectives for marketing.

Situation Analysis

#### - Strengths

DMusic.com is in position to be the clear encompassing provider of community and services to the independent artists, famous and unknown alike.

#### - Weaknesses

DMusic does not have a strong financial position. They were asking for outside investors to support their efforts. The company name was not well known.

#### - Opportunities

Explosive growth of internet music downloading demand. Providing a “legal” downloading service. DMusic.com has exciting additions in the works!

#### - Threats

Heavy competition from other download services; iTunes, Puretracks.com

#### Target Market

Music lovers and music makers who are “rebellious” against the established system of music distribution.

#### Marketing Mix

##### - Product

Essentially a “brokerage” service.

*“Dmusic.com is now your one-stop shop for independent musicians! We offer hosting, legal, design, production, and distribution services to help you get your music to sound, look, and be professional”*

CDs from independent musicians and music that is in the “public” domain. Hosting for artists who want to upload their music. DMusicHost is DMusic's advanced multimedia web hosting service for musicians, artists, producers, film makers, and others involved in music and multimedia art.

All packages include:

- Unlimited Email Addresses
- Unlimited FTP Accounts
- Newsletter Tools
- Guestbook
- Web Based Email

##### - Place

Online interactive transactional website. Delivery via download or you can order a CD for physical shipment and delivery to your home. You can upload your offerings.

##### -Promotion

On site promotion – not clear what other promotional avenues there are.

##### - Price

Please note, that when you purchase a subscription, it is set to automatically charge your paypal account each billing cycle. To cancel your subscription, you'll need to do so through paypal or tell us and we'll do it manually.

Subscription Options:

\$25/ 3 months

- 1GB combined media storage
- 5 artist accounts allowed
- Private forum access
- Quick Clips
- Artist Watchlist and Notifications
- ID3 Tagger
- More deep links allowed



- \$50/ 6 months
- 2GB combined media storage
- 5 artist accounts allowed
- Private forum access
- Quick Clips
- Artist Watchlist and Notifications
- ID3 Tagger
- More deep links allowed
- \$90/ 1 year
- 3GB combined media storage
- front page feature
- Gift pack (hat+shirt+cds)
- 15 artist accounts allowed
- Private forum access
- Quick Clips
- Artist Watchlist and Notifications
- ID3 Tagger
- More deep links allowed

- \$150/ 2 years
- 5 GB combined media storage
- front pagefeature
- Gift pack (hat+shirt+cds)
- 20 artist accounts allowed
- Private forum access
- Quick Clips
- Artist Watchlist and Notifications
- ID3 Tagger
- More deep links allowed

## 2 Develop an appropriate business mission statement

**www.bombardier.com; www.bmp.com**

**Visit the “Bombardier” website, [www.bombardier.com](http://www.bombardier.com) and the Bombardier Recreational Products (BRP) website, [www.brp.com](http://www.brp.com) and look for their mission statements. Why do you think that Bombardier had to spin off BRP? Comment.**

Bombardier’s mission statement is:

*“Our mission is to be the world's leading manufacturer of planes and trains.*

*We are committed to providing superior value and service to our customers and sustained profitability to our shareholders by investing in our people and products.*

*We lead through innovation and outstanding product safety, efficiency and performance.*

*Our standards are high. We define excellence—and we deliver.”*

Bombardier Recreational Products does not have an identified “mission statement” but they do provide a vision statement that suggests their mission. This vision is:

*“BRP’s employees share our corporate vision: that passion and innovation can move the powersports world on snow, on water, on and off the road and in the air.*

*They also share and promote the company's corporate values:*

*a winning attitude  
integrity  
innovation  
quality through rigorous execution  
financial strength”*

A mission statement should focus on the market or markets the organization is attempting to serve rather than on the good or service offered. In this case, Bombardier is aiming at organizations and is a B-to-B marketer. The nature of the customer buying behaviour for these products is vastly different from the markets for the Bombardier Recreational Products that aim at mainly consumers. The purpose for the use of the products is so different as well. As such, Bombardier which developed these diverse product lines because of their production and technical expertise realized that different market expertise was needed. As such, managing the marketing of the products for these businesses was so different it just made sense to separate them entirely.

### **3 Describe the components of a situation analysis**

[www.quickmba.com/strategy/swot/](http://www.quickmba.com/strategy/swot/)

**Visit the Quick MBA .com website and read about how to conduct a SWOT analysis. Identify the strategies that come out of SWOT analysis.**

The site is very good at describing the application of this tool. The four strategies are as follows:

*“S-O Strategies – Pursue opportunities that are a good fit to the company’s strengths.*

*W-O Strategies – Overcome weaknesses to pursue opportunities.*

*S-T Strategies – Identify ways that the firm can use its strengths to reduce its vulnerability to external threats.*

*W-T Strategies – Establish a defensive plan to prevent the firm’s weaknesses from making it highly susceptible to external threats. “*

### **4 Explain the criteria for stating good marketing objectives**

[www.marcusletter.com/Objectives.htm](http://www.marcusletter.com/Objectives.htm)

**Visit the Marcus Letter .com website and learn what Bruce W. Marcus has to say about how to set good marketing objectives.**

The text states that Objectives should be realistic, measurable, and time specific. Objectives must also be consistent, and indicate the priorities of the organization. Bruce Marcus adds a few other considerations. For example:

In defining firm or practice objectives, two specific elements are paramount...

*“Firm Environment. Nothing -- not even profitability -- is more important than the kind of firm you are or want to be. Without a firm environment that's satisfying and fulfilling to its partners and staff, there will be no growth or profitability.*

*Market. There are three aspects of a market that must be considered -- its needs, its size, and its location -- and all three must be viewed carefully in formulating objectives. What are the parameters of the market's needs – and opportunities -- that you're prepared to serve effectively? Where is the market going, and are you in tune with it? How large a market can you realistically serve? What geographical limitations are realistic?”*

Marcus suggests the following “basic” typical marketing objectives:

*To change the structure of the clientele and the nature of the firm  
To get new clients, or to strengthen relationships with existing clients  
To sell new services to existing clients, as well as to new clients  
To introduce a new service or enter a new market for a specific service  
To broaden a geographic base*

*To change a perception of a firm by its market*

*Within these goals, the key elements to consider in setting marketing objectives are:*

*Publics. The target audience must be clearly defined. But it must be defined in the context of both the market's needs and opportunities, and the service offered, or planned to be offered. In any market there are several publics. There are existing clients, whose needs for service must be constantly addressed, as must be their needs for new services. There are the prospective clients, who constitute as many publics as there are services you can perform for them. Your firm may serve one public with corporate services, another in the same market group with financial services, and a third in the same market with personal financial services. The three groups may be contiguous, but each may still be separate and distinct.*

*Defining a target audience is a function of determining those universal characteristics of the target group to which your services are most profitably addressed. The universal characteristics must include the ability to reach them in a uniform and economical way.*

*Client Perception. How do you want to be perceived by your clientele? It should be remembered that marketing alone cannot develop images -- a perception that belies reality. No marketing program can convey an image of high service at low cost if, in fact, you are not delivering high service at low cost. The acoustics of the marketplace are extraordinary, and what you are speaks so loudly that people can't hear what you say you are.*

*Time Frame. A practical and realistic time frame in which to achieve specific goals is essential to establishing marketing objectives. Marketing must be given a reasonable time to work. Unreasonable expectations, in terms of both results and time frame, are a clear danger. In professional services, it can be a long way from when the brochure or direct mail piece goes out, or the release is printed or the ad is run, and when the contract with a new client is signed.*

*Revenues and Return on Investment. Presumably, the objective is to increase revenues by increasing the clientele or the services to existing clients. But at what cost? In designing a marketing program, the cost of achieving a revenues goal -- the return on investment -- is a primary factor.*

## **5 Identify sources of competitive advantage**

**www.rona.ca**

**How well does Rona use its website to build competitive advantage? Does this website appeal to the do-it-yourself consumer (hint be sure to read the investors information pages)?**

According to the text “A **competitive advantage** is a set of unique features of a company and its products that are perceived by the target market as significant and superior to the competition. A competitive advantage exists when a company is able to deliver the same benefits as competitors but at a lower cost, or deliver benefits that exceed those of competing companies. There are three types of competitive advantage: **cost, product/service differentiation, and niche/focus.**”

The first thing you notice about Rona's site is the mention that the firm has 700 stores coast to coast and they are truly Canadian. This means they have a presence in a large number of Canadian communities. The firm's slogan is “Doing It Right.” They identify themselves as an Olympic Games sponsor as well.

Students need to visit the Investor's information portion of the site. It is here that they can discover that Rona uses a product/service differentiation approach with the following segments:

*A diversified service offering to satisfy a full range of customer needs*

•**Big-box**

*These stores offer an unequalled variety of products at the lowest prices. You can find everything under the same roof: hardware, tools, building materials, paint, gardening, decoration and seasonal items.*

•**Proximity and specialized**

*The proximity stores are offering a wide range of seasonal products and a complete assortment of renovation and hardware items. The specialized stores are outlets that meet customer needs for hardware, seasonal products and paint.*

•**Commercial and professional**

*Designed to meet the needs of Commercial and professional customers, these stores or branches offer a wide variety of specialized products in specific categories such as building materials and plumbing.*

•**Affiliates**

*Operated by independent dealer-owners under the RONA banner. Purchase 95% of their supplies from the RONA distribution network, on average. Generally small and mid-sized and well established in their communities.*

## **6 Identify strategic alternatives**

**www.clearly.ca**

**Explore Clearly Canadian’s website and identify how it uses each of the four strategic alternatives. Create a portfolio matrix for Clearly Canadian based on the information available on its website.**

The Clearly Canadian web site appears to separate the listing of the Original line of products, which are probably the ‘cash cows’ from the new improved line of products which are the up and coming ‘stars’. A third line of products, Baby organics, are promoted last and therefore may not be doing as well as the other product categories.

The four strategic alternatives are:

market penetration – current products sold to current markets.

New flavours of Clearly Canadian sparkling water have been developed.

market development – current products sold to new markets – Clearly Canadian is seeking wider distribution in the U.S.

product development – new products sold to current markets

Clearly Canadian Beverage Corporation is has launched premium naturally enhance waters go go with their Clearly Canadian® sparkling flavoured water.

diversification – the company acquired DMR Food Corporation (Sweet Selections) - a leading provider of natural and organic snack foods.

## **7 Discuss target market strategies**

**www.targetmarketingmag.com**

**Go to the Target Marketing magazine website and review the information on this website. What type of “target market” is this magazine appealing to?**

Although it is called target marketing magazine, the focus of this publication is marketing managers who are involved with direct response marketing. If students go to the “Contact Us” link they will find the “About Us” page which states the following:

*“Target Marketing, founded in 1977 (as ZIP), is the authoritative source direct marketers turn to for hands-on, how-to information that is kept and referred to for months.*

*Target Marketing covers all direct response media, including direct mail, e-mail, telemarketing, space advertising,*

*the Web and direct response TV, and gives readers insight into such subjects as using databases and lists effectively, acquiring new customers, upselling and cross-selling existing customers, fulfillment strategies and more.”*

This publication does have a lot of excellent links and good information for any marketer though, not just direct response marketers.

## **8 Describe the elements of the marketing mix**

**www.mindtools.com**

**Visit the mindtools.com website and search for the term “marketing mix.” How does mindtools describe the marketing mix? Do you feel you understand the concept fully after reading this? Comment.**

The mindtools site describe the marketing mix as follows:

*“Marketing mix” is a general phrase used to describe the different kinds of choices organizations have to make in the whole process of bringing a product or service to market. The 4 Ps is one way – probably the best-known way – of defining the marketing mix, and was first expressed in 1960 by E J McCarthy.”*

The term **marketing mix** refers to a unique blend of product, distribution, promotion, and pricing strategies designed to produce mutually satisfying exchanges with a target market. The site provides a set of “questions” a manager should ask about each of the 4P’s. Students should understand this concept very well after reading this information. However, they still need to study because mindtools only gives them the framework, the details are not provided!!

## **9. Explain why implementation, evaluation, and control of the marketing plan are necessary**

**www.marketingaudit.com**

**Go to the marketing audit .com website and investigate how this firm can help marketing planners.**

The firm presents the following preamble:

*“Every company needs to see their way through changing markets. That's where we can help. The Marketing Audit is committed to improving strategic decision making when companies are faced with specific business challenges. Our market research studies provide clarity and insight, often on the most important questions faced by top executives, corporate managers, and strategy professionals.”*

*“We design custom studies based on our clients' unique objectives. Studies typically involve the collection of primary and secondary data and rigorous analysis and synthesis of that data. Deliverables include a final report that provides recommendations.”*

The marketing audit group can assist marketing managers with the following projects:

- Market, Product, and Service Assessment.
- Competitor Intelligence.
- Product Area Intelligence Reports.
- Sales Autopsies and Opportunities.
- Customer Satisfaction Measurement.
- Mergers & Acquisitions Due Diligence Services.
- Benchmarking.

## 10 Identify several techniques that help make strategic planning effective

[www.mplans.com](http://www.mplans.com)

**Go to the Mplans.com website and look at some of the free marketing plans that are available. How can a website like this make a firm's strategic planning more effective?**

Effective strategic planning should be treated as an ongoing process, not an annual exercise. A firm like [mplans.com](http://mplans.com) provides a framework for a business to begin their planning process. The site provides a whole range of existing plans that a marketer can refer to and this would help marketers planning to start-up businesses that are in these sectors. For new sectors, a marketer can look at some of the existing plans and adapt them to their situation.

### CAREER EXERCISE

**One way to gain a better idea of how marketing strategy works is to use it in your career planning. For example, you might conduct a personal SWOT analysis, create a career marketing plan, or simply do some environmental scanning in the general business environment and any industries in which you are interested.**

Here is the process students should go through. It is lengthy but worthwhile for them to do this.

How do the elements of a marketing plan apply to you personally? Put yourself in the situation of looking for a new job. You are marketing yourself. Let's see how the elements of a marketing plan apply to you.

First, what is your mission? Are you looking for a part-time job to gain experience, to enhance your résumé, or to use as a steppingstone to something better? Are you looking for a full-time job that will lead to a long-term career? This mission will help set the stage for the rest of your marketing plan. Now, what are your objectives? Do you need to find a job quickly, or do you have some time flexibility? Are there certain types of jobs you would prefer? Your job objectives can be stated in your résumé. As with all good objectives, make sure that your job/career objectives are stated very clearly.

It's now time for a SWOT analysis. Be very honest in your assessment of your strengths and weaknesses, as these may come up during your job interview. What opportunities are out there in the job environment? What threats? Who is your competition? Do you have a competitive advantage? Think about special skills, experiences, and attributes you have. These competitive advantages can be mentioned in the cover letter to your résumé and in your job interview. The "Career Exercise" that follows will help you conduct a personal SWOT analysis.

What is your target market? Are you looking for jobs with big, established organizations or small entrepreneurial companies? Are you targeting a specific industry? Do you have geographic preferences? Once you have answered these questions, compile a list of companies that meet your requirements. Look up information on these companies. The more you know about your target market employers, the better prepared you will be for the job interview.

In your personal marketing plan, you are the product. How can you best present yourself? Think about your packaging with regard to your dress, appearance, mannerisms, and speech. What about place? Are you willing to travel or relocate? How will you promote yourself? A carefully constructed cover letter, résumé, business card, and personal website can all help communicate your skills to a potential employer. Think carefully about pricing. This includes salary, benefits, and all other financial aspects of your job. What is a fair price for you? What is the normal price for the industry, company and type of job you are pursuing?

How are you going to implement your marketing plan? This involves contacting potential employers for interviews and working on your wardrobe and interviewing skills. Remember to send thank you notes for your interviews. When job offers come in, how will you evaluate them? If job offers don't come in, can you find out why and take corrective action?

As you can see, the elements of a sound marketing plan can apply to marketing an individual as well as an

organization. And putting the marketing plan into writing can greatly assist in the search for the perfect job just as well as it assists a business company in finding the perfect marketing strategy.

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## GREAT IDEAS FOR TEACHING CHAPTER 2

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**James S. Cleveland, Sage College of Albany**

### 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.

The following example is for Chapter 2 of *Marketing 9e*. The three parts have been separated here so they are more readily visible.

1. The term marketing mix refers to a unique blend of product, distribution, promotion, and pricing strategies designed to produce mutually satisfying exchanges with a target market.
2. Review the four parts of the marketing mix on pages 48-49 of your text.
3. Then choose an idea, good, or service with which you are familiar and describe its marketing mix and how it resulted (or did not result) in a satisfying exchange for you.

### BUYING AN EDUCATION: THE 4P'S ON DAY ONE

Students enrolled in my 2-credit Introduction to Marketing course may be freshmen exploring a business major, sophomores fulfilling a requirement for the accounting degree, or even senior English majors taking the “something!” their parents urged to help them get a job. From the first day I must get students to recognize the experiential base of marketing, and I must create class norms of participation.

I begin the first class by asking students to break into small buzz groups. I then pass out a sheet with the question. “Why are you buying your education at The College of St. Catherine?” Students typically look surprised – they have not regarded their college choice as a consumer purchase. I mention that there are well over a dozen other options for taking an Introduction to Marketing course for college credit within this term within this metropolitan area. Students are instructed to spend at least 20 minutes recalling absolutely every influence that caused them to come to this college. Another question on the same sheet asks them “What do you have in common with the other students in your group?” They spend about five minutes discussing this.

Typical answers for the first question might be “Small class size,” “Financial aid package,” etc. As I collect their responses on the board, I discuss items as choices made by them or by the institution. They gradually notice that I am listing their comments deliberately in one of four columns. They note as well that I am keeping a separate list of other colleges they mention that they had also considered. Inevitably, the discussion produces the 4 P's of the marketing mix and gives the foundation of our course. Typical inputs are:

- Product: specific major, class size, academic reputation . . .
- Price: actual costs, financial aid, scholarships . . .
- Place: near/far from home, in an urban area where jobs are plentiful, the beauty of the campus
- Promotion: campus recruiting officers, relatives or friends who have attended, high school counselors

The list of other colleges generates the Competition.

The profile of the Customer, “What you have in common,” is much less obvious to them. At this private women's college, gender and religion are sometimes mentioned; more often students think about academic major, or hometown. They rarely generate other demographics like income and almost never get near psychographics (which, at our particular campus, is the most significant variable besides gender!). Yet when competitor colleges are mentioned, they are all able to paint an instant portrait of the student at each of these institutions.

Within the first class, then, we have generated the fundamental concepts of the course. Students begin to differentiate the 4 P's and to recognize the influence of competition on managing the marketing mix. They begin to explore the complexities of market segmentation and their significance of knowing your target market fully. They know as well that their contribution to the class is necessary and valuable. Throughout the term I refer to this day's discussion at the introduction of any new concept. Student feedback has been that this beginning adds significant coherence to a brief yet broad-ranging course.



### ANALYZING COMPANY STRATEGY VIA MULTIPLE RESOURCES

Beyond basic marketing courses, students can be expected to analyze marketing strategy of companies by building a “data base” using widely available sources.

1. Encourage students to choose for a class project a publicly traded company. Owners of privately held companies can never be expected to divulge confidential data for a class project, even to a friend of a close family member.
2. Students should immediately request via the company’s 800 shareholder relations number annual and quarterly reports, 10-K and 10-Q reports, and a student press kit. Some companies need repeated requests and follow-up. Call 1-800-555-1212 (the 800 information operator), or try an “800” web site database to get the shareholder relations 800 number. Students can then follow steps described in 3-9 below:
3. Search the company’s web site for annual and quarterly reports, plus press releases of strategic decisions. Be aware of key-word search opportunities at the company web site.
4. Search Compact Disclosure, on CD Rom, for annual and quarterly reports and elements of 10K and 10Q reports of over 12,000 corporations.
5. Utilize the EDGAR web site, the Security and Exchange Commission’s database of filings by public companies to analyze 10K and 10Q reports. The reports are voluminous. Use the “print page” options for printing ONLY the page needed.
6. Analyze Value Line’s one-page profile of highly useful data about the company, an industry overview, and comparisons of the company to its competitors.
7. Study page B-2 of the M-F Wall Street Journal for daily alphabetical lists of all companies mentioned in that day’s newspaper. A student individual subscription is useful for cutting and filing daily.
8. Search ABI/Inform, a database of over 1000 publications that allows key word subjects, and is updated monthly. The web site is updated daily.
9. Analyze Hoover’s Handbook of American Business, which profiles publicly traded companies, listing information, which might be found elsewhere.
10. Finally, give students specific heading areas to look for in their analysis of company’s strategy: pricing and margin, concept differentiation and clarity, positioning and repositioning, branding, trade dress, customer profile, location strategy, distribution, turnover, strategic alliances. Presentation of findings, along with graph support, will spur class discussion.

## MARKETING MIX REPORTS

One of the most helpful projects I've ever assigned in Principles of Marketing, are Marketing Mix Reports. The students pick a good or a service at the beginning of class and throughout the semester use that good or service as a reference and an example for each topic we cover. In addition they prepare a report on the Marketing Mix actually used for that product.

At the beginning of the semester the students are required to choose a product by brand name. Many popular brands such as Tommy Hilfiger, Nike, and Coke are chosen, but also some lesser-known Brands such as Louisville Slugger, Peavey, or Furby. Some students choose familiar products such as soft drinks, automobiles, backpacks, sports equipment and computers; others choose a special interest item that is less familiar to most of us such as deer stands, paint ball equipment, or a musical group. I must approve the choice, and my criterion is if there is enough marketing information readily available on the good or service. I put the brand name of the product they have chosen on the seating chart next to their name, which allows me to use their products as examples during lectures.

In the past I've had them hand in a single report after we had covered Product, Place, Promotion, and Price, but at present I break it down into four separate reports. These one or two page reports are easy to prepare, but it forces the student to apply and properly use marketing terms and concepts. As we cover each of the 4 P's the student has to prepare a report, which is handled in or presented the last class meeting before the exam on that topic. Every semester I get numerous comments on my teaching evaluation from students about how much doing the report helped in preparing for the exam, and in learning the course material.